

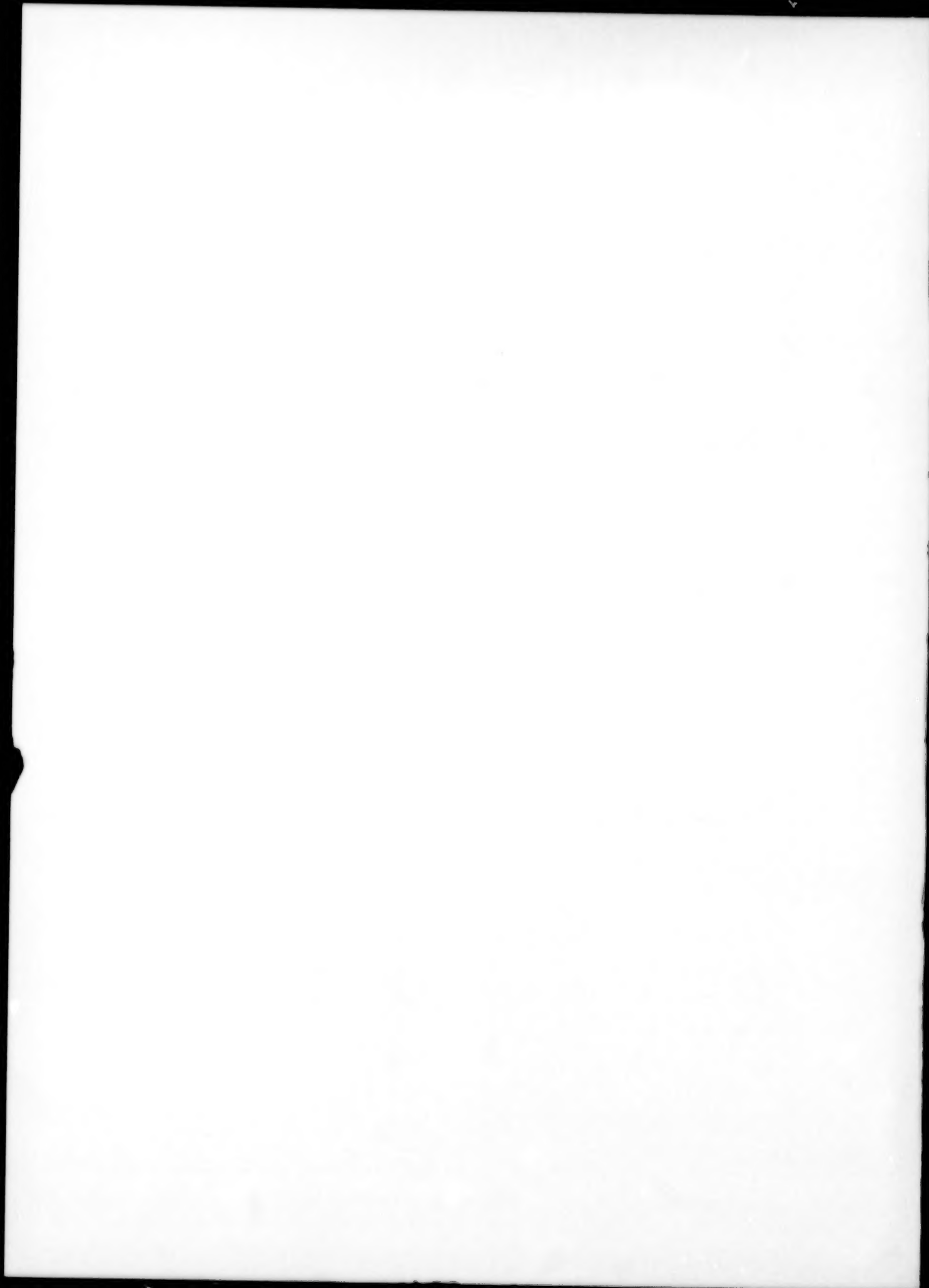


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# ***Daily Report***

## **China**

FBIS-CHI-88-083  
Friday  
29 April 1988



# Daily Report

## China

FBIS-CHI-88-083

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29 April 1988

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### General

**Taiwan, Mainland Officials Meet at ADB Meeting**  
*HK2904082588 Hong Kong ZHONGGUO TONGXUN*  
*SHE in Chinese 1416 GMT 28 Apr 88*

[Report: "Government Officials From Taiwan and the Mainland Meet for the First Time at Asia Bank Meeting"]

[Text] Manila, 28 Apr (ZHONGGUO TONGXUN SHE)—The 21st Annual Meeting of the Asia Bank was held here today.

There was no special topic for discussion at this annual meeting. However, since representatives have been lent from both sides of the Strait and since this is the first time they have met at an international meeting in 40 years, people have shown some interest in it. It is reported that about 30 or 40 Chinese and foreign reporters tail the mainland and Taiwan delegations on a daily basis. Reporters from Beijing and Taipei follow them most doggedly.

In reply to a question raised by a reporter, Qiu Qing, head of the Chinese delegation from Beijing, said that Taiwan was welcome to attend the meeting under the name of "Taipei, China" and that both sides of the Strait are "members of the same family." Chang Chi-cheng, head of the Taipei delegation, indicated that although they would not take the initiative in contacting mainland representatives, they would not deliberately avoid them either. He added that, however, he resented the Board of Directors of the Asian Bank insisting on Taiwan attending the annual meeting under the name of "Taipei, China." At the cocktail party thrown by the Asia Bank yesterday, the Taipei delegation caused quite a stir by covering their "Taipei, China" placard with a piece of plastic cloth.

People here think that names are not important and that as long as participants act in accordance with the agreed-upon rules and do not advocate "two Chinas" or "one China, one Taiwan," there will be no misunderstanding. This annual meeting of the Asian Development Bank has introduced a new pattern for the question of how people from both sides of the Strait can attend the same meeting. This paves the way for the return of Taiwan to various international organizations and for contacts between them in other fields.

### Taiwan Protests Designation

*OW2804063188 Tokyo KYODO in English 0603 GMT*  
*28 Apr 88*

[By Oliver Teves]

[Text] Manila, April 28 KYODO—The opening of the annual meeting of the Asian Development Bank (ADB) in Manila Thursday was marred by protests from Chinese delegates over the wearing of lapel pins of the flag of Taiwan and the deletion of the name "Taipei, China" on the identification cards of their Taiwanese counterparts.

Chang Chi-cheng, governor of the Central Bank of China, and three other members of the large delegation from Taiwan walked into the main ballroom of the seaside Philippine Plaza Hotel wearing blue and red lapel pins depicting the flag of Taiwan.

The country name on their identify cards was covered by a narrow strip of white gum paper that could not be noticed easily from a distance.

Qiu Qing, deputy governor of the People's Bank of China and head of the Chinese delegation, stormed out of the hall after the opening speeches of Philippine President Corazon Aquino, ADB President Masao Fujioka and Tuilaepa Malielegaoi, finance minister of Western Samoa and chairman of the meeting.

Chang the head of the Taiwan delegation, told reporters the lapel pins had no particular meaning and were not intended to distinguish his group from the Beijing delegates.

"I wear it to my liking," he said, referring to the pin. "I can wear anything I like, not necessarily to have any particular significance."

The Taiwanese delegation wore the same lapel pins during a reception hosted by ADB President Fujioka, which was not attended by the Chinese.

Beijing's envoy to Manila, Chen Songlu, who is a temporary alternate governor of the ADB for the People's Republic of China, told KYODO NEWS SERVICE that his government will file a formal protest with the ADB management.

The Chinese delegation said in a statement released during the opening ceremony that they felt "deep regrets" over the "open provocative act" of the delegation "sent by the Taiwan authorities."

"Unfortunately the management of the ADB has failed to take timely rectifying measures allowing the occurrence of 'two Chinas' during the current annual meeting of the ADB," the statement said.

In accepting China's membership in the bank in 1985, the ADB recognized Beijing as the sole representative of China, but Taiwan, a founder of the 21-year-old bank, can remain under the name "Taipei, China."

In protest over the name change, Taiwan did not attend the 1986 and 1987 annual meetings of the ADB.

Informed ADB sources told KYODO that major ADB members, including Japan, have appealed to Taiwan to refrain from raising the name-change issue—which had been "settled" earlier after long negotiations—during the current session.

A grim-faced Qiu told Chinese reporters that she was willing to talk with the delegates from Taiwan "but only if they represent themselves as members of the delegation from Taipei, China and not from the Republic of China."

Chang said the Chinese statement raised old issues and indicated that their own protest over the name change will continue during the three-day session. He declined to say what form it will take.

"Please come to the session tomorrow and see what we will do," he told reporters.

Chang told KYODO that Taiwan "will continue to negotiate with the ADB management to find a fair and reasonable solution" to the issue.

He said Taiwan intends to play "a more active role to make constructive contributions to the ADB as well as the region."

"That's the main purpose of our attending the annual meeting," he added.

Asked if Taiwan, with its large surplus, will increase its capital in the bank, Chang replied, "That's right. I will announce it in my statement."

On the question of whether Taiwan will attend next year's ADB Board of Governors meeting, which will be held in Beijing, Chang said, "I don't know. I cannot answer you."

#### **Mainland Delegation's Regret**

OW2904000588 Beijing XINHUA in English  
1449 GMT 28 Apr 88

["China Objects to ADB Apparent Acknowledgement of 'Two Chinas' During Annual Meeting"—XINHUA Headline]

[Text] Manila, April 28 (XINHUA)—The Chinese delegation to the 21st annual meeting of the Asian Development Bank (ADB) today issued a statement expressing its "deep regret" toward the ADB for allowing the concept of "two Chinas" to surface during the current annual meeting of the bank here.

The statement said that in accordance with the memorandum of understanding signed 26 November, 1985, between the People's Republic of China and the bank — unanimously approved by the ADB's board of directors — that the People's Republic of China be admitted as a member of the bank as the sole legal representative of China, and the Taiwan authorities remain under the name of "Taipei, China."

The ADB management, the statement said, has a responsibility for ensuring the full and strict implementation of the memorandum. Taipei, China, as a member of the ADB, is obliged to abide by the decision of the ADB's board.

However, the statement noted, on formal occasions during the current ADB meeting, not only have the members of the delegation sent by the Taiwan authorities rejected the redesignation of "Taipei, China" by covering up the name on the badges issued by the Secretariat of the ADB, they have even worn badges of the so-called "national flag of the Republic of China."

"This is an openly provocative act defying the memorandum unanimously approved by the Board of Directors of the ADB," the statement said.

It went on to charge that the ADB has failed to take rectifying measures.

"The Chinese delegation hereby expresses its deep regret and reserves the right to make further response," the statement said.

The Manila Chinese-language paper "WORLD NEWS" said in a front page commentary entitled "An Inglorious Little Maneuver" that Taiwan must change its name if it is to remain a member of the bank. The Taiwan delegation cannot change this decision, nor can it deny an accomplished fact by covering up the designation of "Taipei, China" on its badges with a strip of paper.

#### **ADB Officer's Statement**

OW2904020588 Beijing XINHUA in English  
1541 GMT 28 Apr 88

[Text] Manila, April 28 (XINHUA)—R.D. Pacheco, chief information officer of the Asian Development Bank (ADB), today issued a statement requesting the governor for Taipei, China, not to tamper with the administrative arrangements of the Secretariat of the 21st annual meeting of the ADB.

At the opening session of the meeting of the board of directors of the bank, members of the delegation sent by the Taiwan authorities covered up the designation of "Taipei, China" on the badges issued by the Secretariat of the ADB meeting. Moreover, they wore badges of the so-called "national flags of the Republic of China". This is in violation of a memorandum unanimously approved by the ADB board of directors recognizing the People's Republic of China as the sole legitimate representative of the Chinese people.

Pacheco said that the ADB has complied with and will continue to abide by the understanding between the bank and the People's Republic of China. The administrative arrangements made by the ADB secretariat are in accordance with the understanding.

"The chairman of the board of governors has requested the governor for Taipei, China, not to tamper with the arrangements," Pacheco said.

Tuilaepa Malielegaoi, chairman of the board of directors of the ADB and minister of finance of Western Samoa, wrote a letter to Chi-cheng Chang, head of the Taiwan delegation, requesting his delegation to abide by the administrative arrangements made in accordance with the memorandum of understanding.

Under the memorandum of understanding, the Taiwan authorities remain in the ADB under the name of "Taipei, China."

Earlier today, the Chinese delegation to the meeting issued a statement expressing its deep regret for the ADB management allowing the concept of "two Chinas" to become an issue during the meeting.

#### Taiwan Continues Protest

HK2904051088 Hong Kong AFP in English 0356 GMT  
29 Apr 88

[Text] Manila, April 29 (AFP)—Taiwan Friday defiantly continued protesting its redesignation at the Asian Development Bank (ADB) annual conference here despite the bank's warning to accept the arrangement.

"I reiterate my protest against the redesignation of my country in the ADB as Taipei, China. Such arbitrary redesignation has never been accepted by my government," Taiwan delegation chief Chi-Cheng Chang said in a press statement.

"The participation of my delegation in the ADB activities does not imply in any way that we have accepted the blatantly unfair redesignation of my country," he added.

Beijing delegation in turn reiterated its insistence that Taiwan remained part of their territory, but told its long-time rival that "we are willing to work with you" within the ADB, the first major international organization to break the one-China practice.

The two-China problem has overshadowed what would have otherwise been a routine annual meeting of the 47-member Manila-based institution because Taiwan delegates had defiantly registered their protest, covering up the assigned name with tape and wearing a tiny flag on their jacket lapels.

The two rival delegations faced each other Friday on an oval-shaped seating arrangement during the start of working sessions.

"I'm sure it's pure accident," an ADB spokesman, Tom Colvin, told AGENCE FRANCE-PRESSE when asked about the physical arrangements for the session.

Taiwan's renaming in the ADB roster before China's admission in 1986 has put it near the bottom of the alphabetical list, preventing the two Chinas from sitting next two each other.

Before Friday's sessions opened, the Taiwan delegation set up a black plastic sign on their table saying "under Protest" next to the white name market saying "Taipei, China."

Chinese delegation chief Qiu Qing said in her prepared speech at the working session that "Taiwan is an integral part of China."

"I would like to take this opportunity to welcome the delegation from Taipei, China to attend this annual meeting of the ADB ... we are willing to work with you," she added.

The two delegations sat as co-equal members of a major international conference for the first time Thursday when they attended the opening of the three-day meeting.

Both delegations have been staying apart from each other since the opening ceremonies following the terms of a compromise that allowed both to be regular members of the institution, which admitted China only in 1986.

Taiwan is designated as "Taipei, China," putting it near the bottom of the alphabetical membership list and preventing a potentially touchy situation if they were sitting side by side.

The designation remains under protest from Taiwan, a founding member of the 22-year-old bank which has a total of 47 members, including 15 outside Asia.

ADB sources said the Taiwan delegation at the meeting had reiterated this protest to ADB President Masao Fujioka.

A more delicate situation could arise next year when Beijing hosts the ADB annual conference, observers said.

Taiwan is one of the most successful of the 29 developing member nations of the ADB, where it is expected to become one of the new lender nations.

The bank's 1987 annual report put Taiwan's growth rate at 11.2 per cent and international reserves at 79 billion dollars, the third highest in the world next to Japan and West Germany.

The ADB put China's 1987 growth rate at 9.4 per cent and has lent the country 133 million dollars since its admission two years ago, fuelling fears among smaller nations that Asia's giant could one day get the lion's share of the bank's resources at their expense.



Bank official said however that "we have more money than we have borrowers" and said the ADB currently has 4.5 billion dollars in liquid assets.

#### **Mainland Delegation's Speech**

OW2904091988 Tokyo KYODO in English 0647 GMT  
29 Apr 88

[By Narito Ohta]

[Text] Manila, April 29 KYODO—A high-ranking official of the Central Bank of China on Friday stressed that Taiwan is an integral part of mainland China.

Qui Quing, deputy governor of the Bank of China, leading a 16-member delegation to the 21st annual board meeting of the Asian Development Bank (ADB), delivered a speech at the second day session before about 1,500 bankers and government officials from around the world.

The Chinese financial official said Taiwan authorities are permitted to remain in the ADB only under the name of "Taipei, China."

In a prepared text of her statement, Qui Quing welcomed the delegation from "Taipei, China" to attend the annual meeting after a two-year absence.

"In accordance with the memorandum of understanding between China and the ADB," she said, "the People's Republic of China, as the sole legal representative of China, was admitted to the ADB."

The meeting became the first to comprise China and Taiwan as equal members. Taiwan, a founder of the Manila-based development bank, sent an 11-member mission to the Manila meeting, headed by Governor of the Central Bank of China Chang Chi-cheng after boycotting two annual meetings in 1986 and 1987.

The Taiwan group, which sat opposite to the Chinese delegation in a conference room at a Manila hotel, where the ADB annual meeting began Thursday for a three-day session, voiced its basic stance that the island country use the name "The Republic of China," not "Taipei, China," at a reception hosted by ADB President Masao Fujioka.

Touching on ADB loans to China, Qui Quing stated China will take into account "the interests of the traditional borrowers and medium and small countries."

Some ADB developing member countries fear that loans to China, which wants to borrow massive funds from the international financial institution, would deplete ADB funds.

Meanwhile, Chang Chi-cheng issued a statement protesting the redesignation of Taiwan in the ADB as "Taipei, China."

The brief statement said "such arbitrary redesignation has never been accepted by my government."

It stressed no change in Taiwan's status in the ADB, since 1966, when the Manila-based development bank was established.

"The participation of the Taiwan delegation in the ADB activities," the statement said, "does not imply in any way that we have accepted the blatantly unfair redesignation of my country referred to the above (Taipei, China)."

#### **Taiwan Delegation Welcomed**

OW2904113188 Beijing XINHUA in English  
1054 GMT 29 Apr 88

[Text] Manila, April 29 (XINHUA)—Qiu Qing, deputy governor of the People's Bank of China, today expressed welcome to the delegation from Taipei, China attending the on-going annual meeting of the Asian Development Bank.

Addressing the 21st Annual Meeting of the ADB's Board of Directors, Qiu Qing said that, in the spirit of the memorandum of understanding between the ADB and China, the Chinese delegation she is leading is willing to work with the ADB management and the representatives of all members including Taipei, China for the success of the present meeting.

Qiu Qing said that Taiwan is an integral part of China. In accordance with the memorandum of understanding between China and the ADB and unanimously approved by the Board of Directors of ADB, the People's Republic of China, as the sole legal representative of China, was admitted to the ADB while allowing Taiwan authorities to remain in the ADB under the designation of "Taipei, China".

China was admitted into the ADB in March 1986.

#### **Foreign Leaders Greet Newly Elected Leaders**

HK2804144088 Beijing RENMIN RIBAO in Chinese  
23 Apr 88 p 6

[XINHUA report: "Leaders of Some Foreign Countries Greet Our Country's Newly Elected Leaders"]

[Text] Beijing, 22 Apr (XINHUA)—In recent days, the leaders of some countries have sent messages of congratulation to the newly elected Chinese leaders.

Those who have sent messages of congratulation to President Yang Shangkun include:

Baudouin I, king of Belgium;

Muhammad Husni Mubarak, president of the Arab Republic of Egypt;

Dawda Kairaba Jawara, president of the Republic of Gambia;

Moussa Traore, secretary general of the Mali People's Democratic Union and president of the Republic of Mali;

Hassan II, king of Morocco;

and Jose Angel Ciliberto, acting president of the Republic of Venezuela.

Those who have sent messages of congratulation to Vice President Wang Zhen include Muhammad Husni Mubarak, president of the Arab Republic of Egypt.

Those who have sent messages of congratulation to NPC Chairman Wan Li include:

John Fraser, speaker of Canada's House of Commons, and Guy Charbonneau, speaker of the Senate;

Gangou Zalzu, president of the People's National Assembly of the People's Republic of the Congo;

and Lucien Xavier Michel Andrianarainjaka, president of the Popular National Assembly of the Democratic Republic of Madagascar.

Those who have sent messages of congratulation to CPPCC Chairman Li Xiannian include Akif al-Fayiz, speaker of the House of Representatives of the Hashemite Kingdom of Jordan.

#### More Leaders' Greetings

HK2804132888 Beijing RENMIN RIBAO in Chinese  
25 Apr 88 p 6

[XINHUA Report: "Some Foreign State Leaders Send Messages Congratulating Newly Elected Chinese Leaders"]

[Text] Beijing, 23 Apr—Over the last few days some foreign state leaders have sent cables or letters congratulating newly elected Chinese leaders.

Leaders who have sent cables or letters to President Yang Shangkun are:

Richard von Weizsaecker, president of the Federal Republic of Germany; Queen Beatrix of the Netherlands; Joseph Saidu Momoh, president of the Republic of Sierra Leone; Suharto, president of the Republic of Indonesia; and Yasir 'Arafat, chairman of the Executive Committee of the Palestine Liberation Organization and chief commander of the Palestinian Revolutionary Armed Forces.

Leaders who have sent letters congratulating Vice President Wang Zhen include:

Yasir 'Arafat, chairman of the Executive Committee of the PLO and chief commander of the Palestinian Revolutionary Armed Forces.

Leaders who have sent cables or letters to NPC Chairman Wan Li include:

Yasir 'Arafat, chairman of the Executive Committee of the PLO and chief commander of the Palestinian Revolutionary Armed Forces; and Alda do Espirito Santo, president of the National Popular Assembly of the Democratic Republic of Sao Tome and Principe.

Leaders who have sent cables or letters to Premier Li Peng are:

Joseph Saidu Momoh, president of the Republic of Sierra Leone; Yasir 'Arafat, chairman of the Executive Committee of the PLO and chief commander of the Palestinian Revolutionary Armed Forces; Anibal Cavaco Silva, prime minister of the Portuguese Republic; and Calestino Rocha da Costa, prime minister of the Democratic Republic of Sao Tome and Principe.

In addition, Takako Doi, chairman of the Central Executive Committee of the Japan Socialist Party, has also sent congratulatory cables to President Yang Shangkun, NPC Chairman Wan Li, Premier Li Peng, and Military Commission Chairman Deng Xiaoping.

#### United States & Canada

**U.S. Exports to PRC Reportedly Increasing**  
OW2804115388 Beijing XINHUA in English  
0825 GMT 28 Apr 88

[Text] Washington, April 27 (XINHUA)—U.S. exports to China will increase by 14 percent this year to 4 billion dollars compared to the 3.5 billion recorded last year, the U.S. Commerce Department predicted in its semi-annual World Trade Outlook Report. The report attributed the boost largely to China's growing foreign exchange reserves and the reduced value of the U.S. dollar. Meanwhile, U.S. imports from China are expected to continue the growth momentum of the past few years, rising to about 8 billion dollars this year compared to the 1987 level of 6.9 billion dollars. The increased imports will widen the U.S. trade gap with China to 4 billion dollars this year from the 3.4 billion dollars in 1987.

Throughout 1987, the Chinese Government approved 2,230 foreign investment projects, the outlook report said. The total contract value for these investment was 3.68 billion dollars, an increase of 30 percent over 1986.

From 1979 to the end of 1987, the number of foreign-investment enterprises grew to 10,008, with 21.96 billion dollars in foreign capital commitments, the Commerce Department report said.

During the same period, U.S. companies signed over 300 investment contracts with China, committing a total of 3.1 billion dollars.

The United States remains China's second largest source of foreign investment capital after Hong Kong and has established the third largest number of investment operations after Hong Kong and Japan.

"Political developments in China in the last six months have given foreign businesses renewed confidence about trade and investment activities in that country," according to the report.

"The new leaders have focused their efforts on economic development. They also have taken major steps to advance the economic and trade reform program begun in 1979," the report said.

As China moves toward a more open market-oriented system, new commercial opportunities will emerge as the best prospects for U.S. sales continue to be concentrated among intermediate and finished goods for energy, transportation and telecommunications, as well as a range of manufacturing technologies, the report maintained.

The report singled out China's strategy of developing a coastal-based export sector as a catalyst to rising import demand for a wide range of industrial materials, capital equipment and technical services over the next few years.

U.S. exporters of high-technology goods were relieved by the announcement in early March that the U.S. Government would resume efforts to ease national security controls on exports to China, the report said, adding, "this recent action will ensure continued progress in loosening the controls on dual-use exports to China."

**U.S. Military Manning Levels Reduced**  
*OW2804110988 Beijing XINHUA in English*  
0702 GMT 27 Apr 88

[Text] Washington, April 26 (XINHUA)—The U.S. military services reduced the number of active duty members and cadets in the military academies by 18,727 last March to 2,143,129 due to the congressional budget cutbacks, the Pentagon announced today.

Spokesman of the Defense Department David Super said that the Pentagon has planned to further reduce the total number of the services—the Army, Navy, Marine Corps and Air Force—to 2,138,327 by October 1, when the 1989 fiscal year starts.

By that time, Super said, the military services will lose 35,890 personnel as against their total number of last October.

Because of the budget cutbacks, the number of the U.S. military services is reported to drop about 100,000 by the mid-1990s.

**Soviet Union**

**Change in USSR Stance on Cambodia Noted**  
*OW2804135888 Beijing XINHUA in English*  
0847 GMT 28 Apr 88

["USSR Amends Earlier Stance on Kampuchea"—XINHUA headline]

[Text] Paris, April 27 (XINHUA)—The Soviet Union and the United States are not able to solve the Kampuchean problem and the solution "does not depend on us," a senior Soviet official said here Wednesday.

In an interview with the French news agency AFP, Soviet Deputy Foreign Minister Igor Rogachev said the Soviet Union would do all it can to settle the Kampuchean issue, but must take into consideration "political realities in Indochina" and the interests of all concerned.

Rogachev's interview came after two days of talks focused on Kampuchea with U.S. Assistant Secretary of State Gaston Sigur.

It is reported that Sigur suggested Rogachev ask his government to press Vietnam to pull out of Kampuchea. While recognizing that Vietnam's military presence in Kampuchea constitutes a problem, Rogachev turned down the suggestion by saying Moscow could not put pressure on a sovereign state.

He said the talks had not led to any major breakthrough on the issue adding it is hard to imagine that one meeting between the USSR and the U.S. "could greatly change the current situation."

The Soviet Union is continuing to support Vietnam in Kampuchea in terms of military equipment and money, instead of pressing Vietnam to pull out of Kampuchea.

Asked about the possibility of the recent Geneva accord on Afghanistan serving as a model for a Kampuchean settlement, Rogachev said that "there are some elements in the Afghan arrangements that could be used for a solution to the Kampuchean issue," but added that the two situations were not "absolutely analogous."

Vietnam has said the Kampuchea issue is different from that of Afghanistan and Soviet acceptance of that position represents a step backward from the stance taken by Rogachev earlier this month.

Rogachev said in mid-April that the Afghan pact was a model for Kampuchea, but Hanoi reacted negatively to the suggestion, insisting there were basic differences between the two conflicts.



On Vietnam's refusal to meet with Samdech Norodom Sihanouk, who is still leading the government of Democratic Kampuchea, Rogachev said these things should not be "too rushed."

The Soviet Union supported the two-phase formula outlined last year at Ho Chi Minh City by Vietnam and Indonesia. The first phase would bring together all the Khmer parties, while Vietnam and other parties concerned would take part in the second phase of negotiations.

#### **Tian Jiyun Meets Soviet Trade Delegation**

*OW2904023288 Beijing XINHUA in English  
1406 GMT 28 Apr 88*

[Text] Beijing, April 28 (XINHUA)—China and the Soviet Union signed a memorandum here today to resume their cooperation of supply and marketing cooperatives.

According to the memorandum, the cooperative organizations of the two countries will gradually promote barter trade, and commodity exchanges in their border regions on the principles of equality and mutual benefit.

The memorandum was signed by Pan Yao, acting director of the Council of the All-China Federation of Supply and Marketing Cooperatives, and Pavel S. Fedirko, president of the Centrosoyuz of the Soviet Union.

During their discussions, the two sides agreed that the prospect of their cooperation in science and technology is "very bright." They decided to exchange study groups on science and technology by the end of the year.

This afternoon Chinese Vice-Premier Tian Jiyun met with Fedirko and the delegation he is leading.

Tian expressed his hope that the two countries should exchange experiences, learn from each other's strong points and make concerted efforts to promote the bilateral trade.

The delegation arrived in Beijing on April 21 at the invitation of the All-China Federation of Supply and Marketing Cooperatives. During their stay in China, the Soviet guests visited Beijing and Guangdong Province.

#### **Heilongjiang Cross Border Trade Reaches 'Record'**

*OW2804152788 Beijing in Russian to the USSR  
1800 GMT 25 Apr 88*

[Text] According to incomplete data, the volume of export and import trade turnover in the border areas of Heilongjiang Province and the Soviet Union amounted to 37 million Swiss francs in 1987. This was a record figure since the resumption of border trade in this region in 1983. In the first quarter of this year alone, the volume of export and import goods turnover was fulfilled by 21 million Swiss francs.

This year the trading companies of this province have held multilateral talks with the Soviet side. It is envisaged that this year the volume of export and import border trade will reach new heights. This was reported to our correspondent by Du Xianzhong, vice governor of the Heilongjiang Provincial People's Government. He noted that border trade between Heilongjiang and the Soviet Union in recent years has played an active role in the economic construction of this province, vitalized its markets in urban and rural areas, and strengthened ties of friendship between the peoples of China and the Soviet Union.

#### **Soviet Consumer Cooperative Group Visits Guangdong**

*HK2604145888 Guangzhou Guangdong Provincial  
Service in Mandarin 0400 GMT 27 Apr 88*

[Text] Vice Governor Liu Weiming last night welcomed and gave a banquet for the visiting Soviet consumer cooperative delegation at the provincial supply and marketing cooperative building. This delegation arrived in Guangdong on 23 April. They have visited Foshan, Shunde, Zhongshan, and Zhuhai city and county supply and marketing cooperatives, factories, and other installations.

At the reception last night, Fedirko, leader of the delegation, member of the CPSU Central Committee, and chairman of the Board of the Central Union of Consumers' Cooperatives, said that through this visit to China, and especially to Guangdong, the delegation has gained further knowledge of China's reforms and of Guangdong's reform achievements in recent years. It can be said that your reforms are very successful; you have many experiences that merit our study and reference.

#### **Northeast Asia**

#### **Disturbance Over Okuno Remarks Continues**

#### **Friendship Group's Reaction**

*OW2804144088 Tokyo KYODO in English 1225 GMT  
28 Apr 88*

[Text] Beijing, April 28 KYODO—Sun Pinghua, president of the China-Japan Friendship Association, denounced a Japanese Cabinet minister Thursday for making controversial World War II remarks.

Sun said the remarks by National Land Agency Director General Seisuke Okuno last Friday testify to the existence of Japanese people still dreaming to create the Greater East Asia Coprosperity Sphere planned by Japanese militarists during World War II.



He said the remarks, which have triggered strong reactions from other Asian countries, also testify to the existence of Japanese who are trying to damage friendly Sino-Japanese relations.

"There is no room to excuse the remarks. (An excuse) will rather have an adverse effect," Sun told a division meeting of a nongovernmental conference under way to discuss ways to promote bilateral relations.

About 10 Japanese dietmen, including Masayoshi Ito, chairman of the ruling Liberal Democratic Party's Executive Council, were at the meeting.

Okuno told a news conference in Tokyo last Friday that Japan was not an aggressor nation in World War II.

He made the statement after visiting the Yasukuni Shrine which is dedicated to the war dead and "Class A" war criminals, including wartime Prime Minister Gen. Hideki Tojo.

Sun, reading a prepared statement, said Okuno, after visiting the shrine, denied Japan's aggressive wartime behavior in disregard of historical facts.

He said Okuno also made a slanderous remark about China's senior leader Deng Xiaoping. "That was very rude," he said.

Okuno said Friday Japanese people have been "twisted around" by Deng who told Ito last week China regrets the existence of a handful of Japanese rightists who are trying to damage Sino-Japanese relations.

Sun said Okuno's remarks considerably hurt the feelings of the Chinese and will pose an obstacle to development of bilateral relations.

#### More on Group's Reaction

HK2904064888 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1306 GMT 28 Apr 88

[Text] Beijing, 28 Apr (ZHONGGUO XINWEN SHE)—Sun Pinghua, Chairman of the China-Japan Friendship Association, today commented on remarks made on 25 April by Seisuke Okuno, director of the Japanese National Land Agency.

Sun said: Mr Okuno visited the Yasukuni Shrine in his official capacity, talked a lot of nonsense, despite his status, in a vain attempt to deny Japan's responsibility for launching a war of aggression, and made some impolite remarks on a meeting between a Chinese leader and Takeshita's special envoy a few days before. Mr Okuno's behavior has severely hurt the Chinese people's feelings and posed an obstacle to the development of Sino-Japanese friendship.

Sun made the above statement at a division meeting of the Fourth Sino-Japanese Nongovernmental Conference this afternoon. He held that this event had once again testified to the existence of some Japanese still dreaming of creating the "Greater East Asia Coprosperity Sphere." Sun said: Both the Chinese and Japanese sides cannot but remain alert against such a tendency. Any attempt to explain away the past will be useless, and will rather have the adverse effect, he noted.

Sun Pinghua believed that the development of Sino-Japanese relations, with friendship and cooperation as its main trend, has been smooth on the whole. However, he pointed out, one must admit that there always exist some issues of political principle that hinder the development of bilateral relations and, in this respect, the Japanese side has often created problems that have embarrassed the Chinese side.

Sun Pinghua particularly mentioned the issue of Japan-Taiwan relations. Having reviewed the history, he said: Politically, the problem between China and Japan has already been settled through the normalization of diplomatic ties after long struggle. Legally, Japan does not have any reason to fall back. But it is to our regret that the issue of Japan-Taiwan relations has always remained a hindrance to the development of Sino-Japanese relations even after the establishment of diplomatic relations between China and Japan. Referring to the present status of Japan-Taiwan relations, Sun Pinghua said: Some Japanese, including certain notable Japanese politicians, like to seize every opportunity to strengthen Japan's relations with Taiwan without restraint. They regard Taiwan as an independent "political entity" and refuse to give up their attempts to create "two Chinas." They make every effort to change the nongovernmental nature of Japan-Taiwan relations, and to break through the limits prescribed by the understanding that Chinese and Japanese leaders reached upon the signing of the Sino-Japanese Joint Declaration and the establishment of diplomatic relations between the two countries, in the hope of forcing the Chinese side to accept a fait accompli. Some notable figures of the Liberal Democratic Party, with the status of members of Japan's ruling party, maintain substantial ties with Taiwan. The title of so-called "Republic of China" is still being used on many occasions in Japan. Since China and Japan established diplomatic ties, some Japanese have repeatedly played tricks on the issue concerning Taiwan's status. Their activities have on the one hand seriously violated the principles laid down in the Sino-Japanese Joint Declaration and the Sino-Japanese Peace and Friendship Treaty and, on the other, have reminded us of the possibility that some Japanese may still be coveting Taiwan, a part of China's sacred territory. Their ambition to encroach on Taiwan again has naturally drawn the Chinese people's great attention and high vigilance. When the two countries resumed normal relations, both Chinese and Japanese leaders pledged to keep the promises and emphasized the principle of "being true in word and resolute in deed." One will be wrong if one thinks

that one can ignore all moral principles at the prospect of profits in Japan-Taiwan economic relations, thus forsaking the agreed political principle, and break one's promises at the expense of the interests of the whole. It will be still worse if one reckons that China will make concessions on the issue of political principle since China is relying on Japan for furthering its four modernizations program. Some people in Japan, including some government officials, say: "China, in demanding aid from Japan on the one hand, and criticizing Japan on the other, is making an inconsistent impression on others." Their view just represents the aforementioned extremely erroneous tendency.

To conclude, Sun Pinghua hoped the departments concerned in Japan would strictly observe the principle prescribed by the Sino-Japanese Joint Declaration and the Sino-Japanese Peace and Friendship Treaty, keep the promises, carry out commitments, properly handle the relations between Japan and Taiwan, and remove all obstacles so as to ensure that friendship and cooperation between China and Japan will smoothly develop along the right track.

#### **Japanese Opposition Reacts**

OW2904023988 Beijing XINHUA in English  
1451 GMT 25 Apr 88

[Text] Tokyo, April 25 (XINHUA)—Japanese Cabinet member Seisuke Okuno in his response to an opposition inquiry at the Diet (parliament) today tried to justify his remarks made last Friday in a bid to deny Japanese aggression during World War II, according to "ASAHI EVENING [NEWS]".

Okuno, National Land Agency director general, said, "It is extremely regrettable that only Japan is branded as the aggressor. I did not say Japan never committed aggression."

"My remarks the other day (April 22) were not intended to speak ill of China. (At that time) the white race had turned the whole of Asia into a colony, whereas the Dai Toa war (for the great East Asia) had resulted in the independence of Asia," he claimed.

The Cabinet minister said last Friday at the Diet that "Japan was not the aggressor" in the World War II and "had fought to protect itself." He also uttered very impolite words against a Chinese leader.

Okuno's unpopular remarks has aroused strong repercussion at the Japanese Diet session. Leaders of some major Japanese opposition parties have voiced their opinions on the issue.

Tsuruo Yamaguchi, general secretary of the Socialist Party of Japan, said, "It is intolerable for Okuno to make such remarks as a member of the Cabinet. The Socialist Party will adopt appropriate policy towards this problem."

General Secretary of the Komei Party Naoko Okubo said, "It is extremely regrettable that Director General Okuno has, out of his own view, made remarks gravely transcending the basic principle of Japan-China friendship."

Democratic Socialist Party General Secretary Keigo Ouchi said, "The remarks will hinder the further development of Japan-China friendship."

The evening program presenter of Tokyo Broadcasting and TV Station noted that Japan and China have made it clear in their joint statement issued on the establishment of diplomatic relations 16 years ago that Japan makes self-criticism over the war in the past. As a Cabinet member, Okuno should have abided by the principle. However, he made the remarks hard to understand.

#### **Takeshita 'Refutes' Remarks**

OW2904130888 Beijing XINHUA in English  
1616 GMT 27 Apr 88

["Japanese Prime Minister Refutes Diet Member's Speech"—XINHUA headline]

[Text] Tokyo, April 27 (XINHUA)—Japan's wartime activities have been criticized as aggression internationally and the understanding of history embodied in the Japan-China joint statement remains unchanged, Japanese Prime Minister Noburo Takeshita said today.

Takeshita was commenting on a speech made by Seisuke Okuno, the National Land Agency director general, in the Diet (parliament) April 22. Okuno said that Japan was not an aggressor during the Second World War and had fought to protect itself.

This is the first time that Takeshita has linked the word "aggression" with "Japan's wartime action" on the issue of Okuno's speech, local press pointed out. On April 25, the prime minister neither refuted nor endorsed Okuno's remarks. He said only that the speech was a "conception of history."

At today's meeting of the Senate, the 75-year-old Okuno argued that "I believed that in the past war Japan brought about a great deal of trouble to neighboring countries."

In 1972 when Japan and China established diplomatic ties, former Japanese Prime Minister Kakuei Tanaka also said that the war caused many "troubles" to China, but his use of such a light word to describe the war was seriously criticized by late Chinese Premier Zhou Enlai.

Okuno also said, "Japanese nationals have profound and close feelings with the Chinese people. Therefore, the two peoples should not simply pander to or criticize each other. When their opinions are different, they should fully discuss differences and make efforts to deepen their understanding. I think this is the real way to friendship."

An opposition dietman said that Okuno's remark was incompatible with the spirit of Takeshita's. Okuno replied to the dietman that it is very regrettable that his speech has incurred criticism from the Chinese press. I will be more cautious in making remarks in the future.

Meanwhile, a Liberal Democratic Party group of some young dietmen was reported to have called an urgent rally here today expressing support for Okuno's April 22 speech.

**Li Peng, Chen Xitong Meet Japanese Group**  
*OW2904022088 Beijing XINHUA in English*  
1524 GMT 28 Apr 88

[Text] Beijing, April 28 (XINHUA)—Premier Li Peng met a delegation from Japan's Matsushita Electric Industrial Company Ltd. (MEICL) at the Great Hall of the People here this afternoon.

The Japanese visitors came to Beijing to attend the foundation laying ceremony for the Beijing-Matsushita Color Kinescopes Co. Ltd.

The new company is a joint-venture between the Beijing Municipality and MEICL, having a total investment of 600 million yuan (about 162 million U.S. dollars). Production will begin in September 1989.

In the process of cooperation, Li said, China should also learn from Japan's advanced managerial experience as well as its technology.

Toshihiko Yamashita, MEICL's senior consultant, said that China's investment environment has improved a lot compared with that of a few years ago, and the Japanese side will do its utmost to make the joint venture a success.

Chen Xitong, state councillor and mayor of Beijing, attended the meeting.

**DPRK Protests Incendiary, Firing Incidents**  
*OW2804204488 Beijing XINHUA Domestic Service*  
in Chinese 1119 GMT 28 Apr 88

[Text] Pyongyang, 27 Apr (XINHUA)—According to KCNA, acting on a proposal of the Korean-Chinese side, the 492d Meeting of the Secretaries of the Military Armistice Commission was held at Panmunjom today. The Korean-Chinese side strongly protested the South Korean troops' setting fires in the Demilitarized Zone on the Military Demarcation Line, firing artillery shells towards the North, and other violations of the Armistice Agreement.

At the meeting Kim Yon-ki, secretary general of the Korean-Chinese side, said: At about 1335 on 17 April the South Korean side threw Molotov cocktails at the Demilitarized Zone on the middle section of the Military Demarcation Line and set fire to places overgrown with grass and trees. The fire caused the death of 3 fire fighters, and burned down more than 1,200 hectares of forests, several civilian police posts, thousands of kilometers of communication lines, and military demarcation line markers in the North.

He said: South Korean troops also fired artillery shells towards the North 1,200 meters south of the No 0222 military Demarcation Line marker on 21 April, destroying sentry posts and gravely threatening the safety of civilian police of the North.

The Korean-Chinese side demanded that the U.S. side thoroughly probe the incendiary and firing incidents and make sure that similar incidents will not occur in the future.

**DPRK Vice President Yim Chun-chu Dies**  
*OW2804110188 Beijing XINHUA in English*  
0818 GMT 28 Apr 88

[Text] Beijing, April 28 (XINHUA)—Vice-President Yim Chun-chu of the Democratic People's Republic of Korea (DPRK) died yesterday "from a long illness," according to a report of the KOREAN CENTRAL NEWS AGENCY reaching here today.

The 76-year-old Yim, who was also a member of the Political Committee of the Worker's Party of Korea, was first elected to his post in April 1983 and got re-elected in 1986.

The KCNA report however did not say who will succeed Yim.

It said a 57-member state funeral committee, which includes President Kim Il-song, was formed for Yim.

**Kim Il-song Meets USSR's Murakhovskiy**  
*OW2904021288 Beijing XINHUA in English*  
1541 GMT 28 Apr 88

[Text] Pyongyang, April 28 (XINHUA)—Korean President Kim Il-song met here today with a visiting Soviet delegation led by Vsevolod Serafimovich Murakhovskiy, first vice-chairman of the Council of Ministers of the USSR, the KOREAN CENTRAL NEWS AGENCY (KCNA) reported.

Present at the meeting were Kim Pok-sin, vice-premier of the Korean Administrative Council, and Kim Chong-u, vice-minister of the Ministry of External Economic Affairs.

The Soviet delegation, which arrived here April 25, will attend the 22nd session of the Korean-Soviet Consultation Committee for Economy, Science and Technology.

A protocol of the session was signed here today by Kim Pok-sin and Murakhovskiy.

**Southeast Asia & Pacific**

**High-Ranking Soviet Official in Manila**  
*OW2904022788 Beijing XINHUA in English*  
1446 GMT 28 Apr 88

[Text] Manila, April 27 (XINHUA)—A high-ranking official of the Soviet Union flew in here today for a three-day official visit aimed at further improving bilateral relations with the Philippines.

Pavel Gilashvili, deputy chairman of the Presidium of the Supreme Soviet, told reporters upon his arrival at the Ninoy Aquino International Airport today that "we are eager, together with your parliament, to discuss matters taking place here, to know what worries you and what approaches you have and how we can overcome those problems."

Gilashvili came to Manila at a time when talks for reviewing the military bases agreement is going on between the Philippines and the United States. While in Manila, according to the Philippine News Agency, he will meet with some members of Congress and other ranking government officials.

**Near East & South Asia**

**Hindi Service Reports Wu's Remarks on India**  
*BK2804100488 Beijing in Hindi to India 1500 GMT*  
27 Apr 88

[Text] Chinese Vice Premier Mr Wu Xueqian, during a meeting with Mr R M Cama, chairman of the the PRESS TRUST OF INDIA yesterday afternoon, reiterated that

China hopes to settle the boundary question with India on the principle of mutual understanding and accommodation. He said that Sino-Indian relations in the fields of culture, economy, personnel exchange, and scientific and technical cooperation have developed satisfactorily in recent years.

Mr Wu Xueqian said that the main issue between India and China is the boundary question. So far eight rounds of talks have taken place at vice foreign minister level between the two countries, but no substantial progress has been made. He emphasized that the McMahon Line drawn in 1914 must not be used as a basis for the Sino-India boundary talks because this line was drawn by the British. At that time neither the Chinese nor the Indians had power of their own. The Government of the People's Republic of China and previous Chinese governments have never recognized this line which is illegal and has no binding force.

**West Europe**

**Rong Yiren 'Satisfied' With FRG Cooperation**  
*OW2904022488 Beijing XINHUA in English*  
1510 GMT 28 Apr 88

[Text] Bonn, April 27 (XINHUA)—Rong Yiren, president of China International Trust and Investment Corporation, says he is satisfied by the rapid development of economic and technical cooperation between Beijing and Bonn.

Attending a symposium yesterday of the China Section of Federal Germany's East Economy Committee, Rong told more than 100 Federal German bankers and businessmen about China's reforms and economic construction.

Rong, who arrived here yesterday on a six-day visit at the invitation of committee President Otto Wolff von Amerongen, also discussed the achievements of China's opening to the outside world.

Rong is expected to be received by Federal German Chancellor Helmut Kohl.

**East Europe**

**Qian Qichen, Polish Deputy Ministers Confer**  
*OW2804135088 Beijing XINHUA in English*  
1116 GMT 28 Apr 88

[Text] Beijing, April 28 (XINHUA)—Chinese Foreign Minister Qian Qichen met here today J. Majewski, deputy foreign minister of Poland, and H. Floeth, deputy minister of external economic cooperation, and their party.

The Polish guests arrived in Beijing Tuesday for a three-day visit.



**Fujian's Chen Guangyi Meets Yugoslav Officials**  
*OW2804122588 Fuzhou FUJIAN RIBAO in Chinese*  
18 Apr 88 p 1

[Text] Stojanovic, central executive secretary of the League of Communists of Yugoslavia [LCY], arrived in Fuzhou yesterday after visiting Xiamen and Quanzhou in Fujian. He was accompanied on his tour by Dinic [name as published], counsellor of the Yugoslav Embassy in China. Chen Guangyi, secretary of the Fujian Provincial CPC Committee, met with the guests at the Xihu Guesthouse at 1800.

During the meeting, Secretary Chen Guangyi said he welcomed this visit, the first to Fujian by a leading comrade from the LCY Central Committee. Then he briefed the guests on Fujian's reforms and opening to the

outside world in the last few years. Stojanovic said that he was very impressed by Fujian's achievements during his visits to Xiamen and Quanzhou. Chen Guangyi said that for Fujian's economy to be developed, it is necessary to rely on support from the central authorities, Fujian's own efforts, and foreign investment. He noted: At present, foreign businessmen are quite satisfied with the investment climate in Fujian, but they have complaints about the working efficiency. We are changing this situation by improving the "soft environment." In the course of reform, we will encounter problems and difficulties, but we will overcome them with reformative means. Since Yugoslavia began its reforms and opening to the outside world before China, you have a great deal of experience for us to learn from.

Comrade Yuan Qitong was present at the meeting.

**CPC Central Committee Appoints Four Secretaries**  
*OW2804144288 Beijing XINHUA in English*  
1342 GMT 28 Apr 88

[Text] Beijing, April 28 (XINHUA) — The Chinese Communist Party Central Committee has recently appointed new secretaries to its four provincial party committees.

The new appointments are:

Mao Zhiyong has become the party secretary of Jiangxi Province. He is succeeded in his former post of secretary of the Hunan provincial party committee by the existing Deputy Xiong Qingquan.

Wan Shaofen, former Jiangxi party secretary, has been appointed deputy secretary of the leading party group of the All-China Federation of Trade Unions.

He Zhukang, former deputy secretary of the Jilin provincial party committee, takes over from Gao Di as the province's party secretary. Gao Di has been made vice-president of the party school of the CPC Central Committee.

Lu Rongjing, the current governor of Anhui Province, succeeds Li Guixian as the province's party secretary. Li was made a state councillor and took over as the president of the People's Bank of China at the First Plenary Session of the Seventh National People's Congress held recently.

**Political Science Institute Director Resigns**  
*HK2904135288 Hong Kong WEN WEI PO*  
in Chinese 29 Apr 88 p 7

[Report by Liu Jui-shao (0491 6904 4801): "Yan Jiaqi Refuses To Serve Another Term, Criticizing the Academy of Social Sciences' Appointment System as Undemocratic"]

[Text] Beijing, 28 Apr—Today Yan Jiaqi, director of the Political Science Institute under the Academy of Social Sciences of China, indicated that he will no longer serve as director of the institute and criticized the Academy of Social Sciences' appointment system as undemocratic and not in keeping with the legal system. He pointed out: In the Academy of Social Sciences, political science does not receive the attention it deserves, and it is therefore difficult to work in this field.

Today, the Political Science Institute was to conduct an opinion poll on the election of new leadership. Under the current system, directors of the institutes under the Academy of Social Sciences are all appointed by higher authorities after opinion polls are conducted. However, opinion poll results have never been made known and are used by higher authorities for internal reference purposes only.

At a meeting today, Yan Jiaqi pointed out that such opinion polls serve no practical purpose and whether or not they are conducted is of no consequence. He proposed the replacement of the appointment system by direct election of institute directors. In addition, he suggested that administrators should generally not be allowed to serve more than two terms, in order to make it easier for people to readjust overall relationships. He became director of the Political Science Institute in 1982. In 1985, he was reappointed. Although he may be appointed a third time, he does not think it would be appropriate. That is the reason why he indicated he does not want to serve as the director of the institute again.

More than 50 present on the occasion immediately responded to his remarks. The opinion poll was finally cancelled.

After declining the offer, he will immerse himself in academic work in the future, in the hopes that he can contribute to the development of political science.

**Li Peng Attends Nationalities Meeting Closing**  
*OW2904142788 Beijing XINHUA in English*  
1354 GMT 29 Apr 88

[Text] Beijing, April 29 (XINHUA)—The National Conference for Commending Outstanding Individuals and Groups on National Unity and Progress closed here today.

Premier Li Peng, chairman of the Standing Committee of the National People's Congress Wan Li, Vice-President Wang Zhen and more than 4,000 representatives from all nationalities attended the closing ceremony.

Those who were commended received medals, prizes and certificates on stage.

Yan Mingfu, member of the Secretariat of the Chinese Communist Party Central Committee, said that "the conference is a new starting point for the cause of the unity and development of nationalities."

He told the conference that it is the responsibility of all nationalities to maintain the unity of the nation, and that this is also the guarantee for the development of the country.

Yan, who is also the head of the United Front Work Department of the Party Central Committee, said that the Han people are the biggest of all nationalities, and should take more responsibility for national unity.

He said that mutual understanding, dialogue, criticism and self-criticism are necessary to solve problems among the different nationalities.

He called on people in all regions and government institutions to have a better understanding of the policies on nationalities and respect the right of autonomy of the minority peoples.

#### **Delegates Hold Discussion**

OW2804161988 Beijing XINHUA Domestic Service  
in Chinese 1154 GMT 27 Apr 88

[By reporter Ge Lai]

[Text] Beijing, 27 Apr (XINHUA)—Delegates from the 20 smallest minority nationalities attending the National Conference for Commending Outstanding Individuals and Groups on Nationality Unity and Progress held a discussion meeting this morning. They happily reviewed the achievements made by minority nationalities and their regions in economy, politics and culture since China began reforms and opening to the outside world. They also discussed the achievements made in the cause of nationality unity and in building the two civilizations. They regarded the achievements and progresses as the results of the concern shown by the party and the government for minority nationalities and the attention paid by them to the minority nationalities work.

The minority nationalities, each with a total population under 50,000, are Jinuo, Achang, Deang, Nu, Dulong, Baoan, Yugu, Hezhe, Geba, Menba, Tajik, Tatar, Maonan, Jing, Ozbek, Pumi, Eluosi, Ewenki, Orogon, and Gaoshan.

The delegates said at the meeting that since China began reforms and opening to the outside world, great development has been made in the minority nationality regions, but there is still a great disparity between these regions and the interior and coastal regions. They pledged to learn from the developed regions, further develop commodity economy, and promote economic development in their regions.

The delegates said: In order to uphold the regional nationality autonomy, we must resolutely implement the law of regional nationality autonomy. The key to implementing the law is to take diverse measures to train a large number of cadres and qualified personnel of minority nationalities.

Tian Fuda, a delegate of Gaoshan nationality, said: The ongoing national meeting is a meeting of people of minority nationalities with outstanding contributions to nationality unity. It will have a far-reaching impact on defending the motherland's unification and enhancing nationality unity.

Jiang Jiafu, vice minister of the State Nationalities Affairs Commission, spoke at the meeting.

**Song Jian on Satellite Communication Technology**  
OW2804152588 Beijing XINHUA Domestic Service  
in Chinese 1342 GMT 27 Apr 88

[By RENMIN RIBAO reporter Wei Yufeng and XINHUA reporter Xu Zhimin]

[Text] Song Jian, state councillor and minister in charge of the State Science and Technology Commission, today stressed the need to speed up the development and application of satellite communication technologies and take full advantage of the satellite resources to bring their greatest benefits to bear in invigorating China's economy. He was speaking at the National Working Conference on Unified Arrangements of Satellite Transmitters, which closed today.

He revealed that this year China will open a second channel exclusively for satellite televised education programs and in the "Seventh 5-Year Plan" a communications network will be established to handle various types of communication operations.

Song Jian pointed out: It is a major technical policy of the State Council to vigorously develop satellite communication, television and radio broadcasts. Positive factors in all quarters must be mobilized to promote the development of these undertakings. He hoped that satellite research and manufacturing departments, communication system development departments, production departments, and construction and investment departments will work in concert to promote the development of satellite communication undertakings. As long as we pay attention to developing and opening the market at home and abroad, work in this area will all become viable.

It is learned that China has made speedy progress in developing applicable satellite communication technologies in the past 3 years. The number of ground receiving stations has grown from 53 to more than 5,000. Television coverage has reached 70 percent of China's areas. In addition, China has worked out its own way to raise funds in society which have financed the construction of 90 percent of the satellite ground receiving stations across the land.

The conference was jointly sponsored by the State Council's Electronics Industry Invigoration Leading Group, the State Education Commission, the Ministry of Radio, Film and Television and the Ministry of Posts and Telecommunications.

#### **Addresses Weather Bureaus**

OW2804141388 Beijing XINHUA Domestic Service  
in Chinese 1031 GMT 25 Apr 88

[By reporter Cui Lisha]

[Text] Beijing, 25 Apr (XINHUA) — Addressing the conference of directors of state meteorological bureaus, which opened today, Song Jian, state councillor and



minister in charge of the State Commission of Science and Technology, praised the nation's meteorological departments for being ahead of other departments in opening to the outside world.

Song Jian said: While the policy of opening to the outside world has expedited scientific and technological development in the country, we have just started to open up, and people engaged in scientific and technological work must continue to uphold the open policy so as to open a new situation. Opening up does not simply mean assimilating or purchasing other countries' technology, it also means exporting our technology. We should learn, assimilate, and emulate developed countries' good experiences, especially their management techniques. Our meteorological work will substantially benefit if leaders, scientists and technicians of selected regional and local meteorological stations are able to get in touch with advanced managerial methods and experiences. Meanwhile, we should promote export of our technology, equipment, and labor services. This should be an increasingly important mission in the future.

Commenting on expanding the scope of meteorological departments' services, Song Jian said: While it is necessary for meteorological departments to diversify their operation to increase revenues, more importantly they should help develop commodity production in various localities by offering compensatory services, diversifying operation, and propagating scientific knowledge. Song Jian urged meteorological departments to transfer their advanced technology to economic departments and, making use of their intellectual resources, help local authorities train personnel proficient in commodity production.

**State President Yang Shangkun Profiled**  
*HK2904144388 Beijing LIAOWANG in Chinese*  
*No. 16, 18 Apr 88 p 8*

["Yang Shangkun, the Fourth President of the People's Republic"]

[Text] The cover of this issue shows a recent photo of Comrade Yang Shangkun. At the First Session of the Seventh NPC, Comrade Yang Shangkun was elected president of the state. He is the fourth PRC president after Mao Zedong, Liu Shaoqi, and Li Xiannian.

Comrade Yang Shangkun was born in 1907 in Tongpan County, Sichuan Province. He joined the Communist Youth League in 1925 and became a member of the CPC in 1926. He has struggled for the great cause of the new democratic revolution and socialist construction under the party's leadership for more than 60 years.

In 1925, Comrade Yang Shangkun began to participate in student and worker movements in Sichuan and Shanghai. From 1927 to 1931, he studied in Moscow's Sun Yat-sen University.

After returning to China from the Soviet Union, Comrade Yang Shangkun worked in Shanghai as director of the Propaganda Department of the National Federation of Trade Unions, party secretary of the trade unions, director of the Propaganda Department of the Jiangsu CPC Provincial Committee, and director of the Propaganda Department of the CPC Central Committee. He participated in and organized worker movements and national salvation movements in Shanghai. Afterward, he went to the Central Revolutionary Base in Jiangxi and was appointed director of the Political Department of the First Front Army of the Red Army, deputy director of the General Political Department of the Red Army, and political commissar of the Third Army Corps of the Red Army under Peng Dehuai as commander. From October 1934 to October 1935, he participated in the famous 25,000-li Long March and also attended the Zunyi Conference which was of great historical significance. Before the Red Army arrived in northern Shaanxi, Yang Shangkun was director of the Political Department of the Shaanxi-Gansu Brigade of the Red Army, and then became director of the Political Department of the Field Army. In 1937, Yang Shangkun became secretary of the Northern China Bureau of the CPC Central Committee, and in 1945, he was appointed secretary-general of the Central Military Commission. After the founding of the PRC, Yang Shangkun worked as director of the General Office of the CPC Central Committee, deputy secretary-general of the party Central Committee, and alternative secretary of the party central Secretariat for a long time.

Before the "Cultural Revolution" began, Comrade Yang Shangkun was transferred to the post of secretary of the Secretariat of the Guangdong CPC Provincial Committee. In 1966, he was removed from all positions and was jailed for a long time.

In 1978, Comrade Yang Shangkun was rehabilitated, and appointed second secretary of the Guangdong CPC Provincial Committee, vice provincial governor, first secretary of the Guangzhou CPC City Committee, and director of the city revolutionary committee (mayor). In September 1980, he was elected vice chairman and secretary-general of the NPC Standing Committee; in July 1981, he was appointed secretary-general of the CPC Central Military Commission; in 1982, he became vice chairman of the Central Military Commission.

Comrade Yang Shangkun was a member of the 8th, 11th, 12th, and 13th CPC Central Committees. In 1982, at the 1st Plenary Session of the 12th CPC Central Committee, he was elected a member of the Central Political Bureau. In November 1987, he was again elected to the Central Political Bureau at the 1st Plenary Session of the 13th CPC Central Committee.

As vice chairman and secretary-general of the Central Military Commission with responsibility for the military commission's daily work, Comrade Yang Shangkun resolutely implemented the instructions of Deng Xiaoping, chairman of the Central Military Commission, on



strengthening army building. He did a great deal of work to effect the strategic change in the army building guideline, to reduce the size of the Army, to reorganize the troops, and to carry out various major policy decisions and various reform measures. After several years' hard work, China's Army has changed in a planned and orderly way from a posture of being ready to fight a war into a condition of modernizing itself in a peace period. Education and training in the Army have been strengthened; weapons and equipment have been improved; an integrated training system with military academies being built at various levels has been gradually established; Army commanders are now younger and better educated; national defense researches and defense industries have begun to serve both military and civilian purposes with many military factories converting to civilian production. Yang Shangkun indicated that further efforts will be made to deepen the reforms in the Army.

Comrade Yang Shangkun was also one of the earliest journalists of the CPC. In 1933, he was an editor of the party newspaper HONGSE ZHONGHUA [RED CHINA].

#### **Yan Mingfu Attends Memorial Service**

OW2704224688 Beijing XINHUA Domestic Service  
in Chinese 1322 GMT 26 Apr 88

[Excerpt] Beijing, 26 Apr (XINHUA)—Pan Shu, vice chairman of the Central Committee of the Jiusan Society and a noted psychologist, died of illness in Beijing on 26 March. The memorial service for Pan Shu was held in the auditorium of the Babaoshan Cemetery for Fallen Revolutionaries in Beijing today.

Those who attended the memorial service were Yan Mingfu, Zhou Gucheng, Song Jian, Zhou Peiyuan, Qian Xuesen, and Lu Jiaxi; Standing Committee members, members and vice secretary generals of the CPPCC National Committee; vice chairmen, Standing Committee members, and members and alternate members of the central committee of the Jiusan Society; officials of the United Front Work Department of the CPC Central Committee; officials of the Academy of Sciences of China; and Pan Shu's friends; more than 300 in all.

Among those who sent wreaths were Comrades Li Peng, Li Xiannian, Deng Yingchao, Hu Qili, Song Ping, Zhang Jingfu, Xi Zhongxun, Yan Jici, Wang Renzhong, Fang Yi, Yang Jingren, Hu Ziang, Qian Changzhao, Qu Wu, Ma Wenrui, Sun Xiaocun, Xu Deheng, Mao Yisheng, the CPPCC National Committee, the Organization and United Front Departments of the CPC Central Committee, the Central Committee of the Jiusan Society, the Academy of Sciences of China, the Central Committee of the Revolutionary Committee of the Chinese Kuomintang, the Central Committee of the China Democratic League, the Jiangsu Provincial CPC Committee and Government, and the Yixing City CPC Committee and Government. [passage omitted]

#### **Jiang Zemin Mourns Deceased Comrade**

OW2804122988 Beijing XINHUA Domestic Service  
in Chinese 1135 GMT 23 Apr 88

[Excerpts] Beijing, 23 Apr (XINHUA)—Comrade Shen Zhongyi, a loyal communist fighter and vice minister of the former Fourth Ministry of Machine-Building, died of illness on 14 April 1988 at the age of 66. A ceremony for paying last respects to Comrade Shen Zhongyi's remains was held in the auditorium of the Babaoshan Cemetery for Fallen Revolutionaries today. [passage omitted]

There were wreaths from Comrades Jiang Zemin, Zhang Aiping, and Peng Chong and from the Organization Department of the CPC Central Committee, the National Science, Technology and Industry Commission and the Ministry of Post and Telecommunications. Comrade Li Tieying attended the ceremony and sent a wreath.

#### **JIEFANGJUN BAO on Army Reform**

HK2804152088 Beijing JIEFANGJUN BAO  
in Chinese 7 Apr 88 p 3

[Article by Zhang Zhongxian (1728 0112 0341): "To Enhance One's Consciousness of Plunging Into Army Reforms"]

[Text] We should pay attention to two inclinations in the current army reforms. The first is neglecting the special situation in the Army whereby some reform practices implemented in local areas are blindly copied. For instance, some units implemented the contracted responsibility system in the Army without analysis, and so on. The second is placing too much emphasis on the special nature of the Army and excluding the Army from the great tide of reform.

The situation in the Army is different from that of local areas. Reforms in local areas, in particular the reforms implemented in factories, mines, and enterprises, are mainly centered on raising economic returns, and with the target of developing the productive forces in society. However, the purpose of army reforms is to raise the quality of the Army and the Army's level of modernization, and to strengthen its fighting capability. Local reforms are mainly linked directly to the vital interests of staff and workers, and they can get material benefits from the first distribution of commodity production. Although army reforms can ultimately bring practical benefits to every member, profits cannot be achieved. Some army reforms may even require some units and individuals to make temporary sacrifices. Reforms in local areas are mainly implemented from above, and various areas will try their best in achieving results. Experiences are first obtained in some areas, and then they are popularized and promoted in a macroscopic manner. Army reforms require a high degree of concentration and unification. Some reform measures that will influence the whole situation can be implemented from the upper to the lower levels after they have been

thoroughly studied and defined, and so on. If we want to progress army reforms from the Army situation we have to pay attention to the special nature of the Army. This is important guidance thinking in army reforms.

However, paying attention to the special nature of the Army should absolutely not be taken as an excuse for loosening or slowing down the pace of army reforms. We pay attention to the special nature of the Army because we want to implement army reforms in a more specific direction. For instance, the Army controls the guns, and thus it must be under the absolute control of the party. The leading method of the Army is the responsibility system of division of labor among leading cadres under the collective leadership of party committees. Therefore we cannot simply put forward the practice of "separating party and government functions." However, reforms should be implemented in units where too much power is concentrated in party committees, whereby the functions of leading military and government cadres and the departmental functions are thus affected. Moreover, the setting up of party organizations in army departments, institutes and colleges, hospitals, scientific research units, enterprises, and various different type of units, and the definition of their functions, also involve the question of reform. For instance, the Army is a fighting unit and stability should always be maintained. A higher degree of concentration and unification should be maintained and the practice of transferring power to lower levels should not be put forward in a very general manner. However, how to strengthen democratic construction in the Army so that the Army can internally be full of vigor and the enthusiasm of cadres and soldiers can be further brought into play, is a practical question that has to be solved through reforms. In short, reform is the only way. Army reforms are not a special subject of reform and they cannot be treated in a special manner.

To enhance the reform consciousness of cadres and soldiers we should pay attention to and overcome the following few ideological obstacles.

First, there is an idea that "it is difficult to implement reforms at grass-root levels." We do not deny that due to the special functions of the Army, reforms involving the important and great principles in the overall situation should be arranged in a unified manner in accordance with the Military Commission. They should be implemented in a planned manner and the various levels are not allowed to implement reforms according to their own ideas. However this does not mean that comrades at lower levels are incapable of implementing reforms and that they cannot achieve any results. The making of macroscopic decisions concerning army reforms should depend on the Military Commission, while the decisions depend on the collective wisdom of the officers and men of the whole Army. Thus we have to enthusiastically put forward our ideas and give our opinions concerning army reforms, and participate in formulating decisions. The decisions concerning army reforms are made by the upper levels. However the implementation of the

reforms depend on the lower levels. The thorough implementation of the series of reform decisions made by the Military Commissions and the Headquarters, and the promotion and popularizing of reform results already achieved, is an important basis for various levels to accelerate and deepen the reforms. Army reforms involve large aspects related to the overall situation, various specific aspects, and the reform of the leadership methods at various levels. These aspects will require the various levels, within the scope of their power, to give full play to their subjective activity to promote the advancement of the reforms of their units. There are important and less-important reform responsibilities; while there is no reform that involves no responsibility. On the great reform stage of the Army everyone is an actor. To plunge into the powerful current of reform is the common responsibility of the officers and men of the Chinese Army.

Second, there is an idea that "reform cannot be implemented when there is no money on hand." Of course, reform will need a certain degree of materials and money. However, not every reform item will require money. To increase returns and to save funds is also one of the targets of reform. It is inconsistent with the spirit of reform when reform is only connected to money and materials. Army reforms involve "software" and "hardware" reforms. Generally speaking, reforms in the "software" aspect such as innovating concepts, changing working methods, and establishing new fighting ideologies, will not need money or will only need small amounts of money. The working out of structural reform programs will not necessarily require money. Some of the reforms in the "hardware" aspect will need money; but large amounts of money should not be involved. Reforms in the Chinese Army should insist on the principles of hard work and thrift, and the principle of starting an undertaking through arduous work. We should spend small amounts of money in accomplishing great tasks, and tasks can also be accomplished without spending money. Reforms in the "hardware" aspect can only be implemented according to the Army's capability. For instance, the method of "developing advanced military equipment first while making them popular in a later period" is a method proceeding from the current army situation. This is a good method that fits the capability of the Army and can accelerate reforms.

Third, there is an inclination that people are "afraid of risks and dare not implement reforms." Reform is a revolution and there is no model and experience for us to follow. In foreigners' words, China's boat of reform is sailing in uncharted waters that have neither been explored or investigated. It is therefore inevitable that some problems will emerge in the course of reform. This is the "risk factor" that people always talk about. If we can scientifically prove and expound the reforms, act cautiously in the course of reform, and work hard to raise the quality of the people implementing the reforms, serious troubles will not arise. Even when some problems arise in the course of reform the masses will understand

and the leaders will also analyse these problems with the attitude of seeking truth from facts. Some faults committed in the course of reform and the costs paid for the reforms can be said as "risk investments." If we can understand these "investments," smooth development of the reforms can be promoted in a better way. To accelerate army reforms is to raise the fighting capability of the troops so that they can meet the requirements of future counter-attack wars. Wars in the future will not be simple fighting in which the bravest side will win. Future wars will be contests of various factors and the side that has the strongest capability will win. If the Army does not undergo reform great dangers will face the Chinese Army in future battlefields. When we clearly take these factors into account we can understand that the risks borne by us at present, and the current "risk investments," are to avoid greater future dangers. We should enhance our courage and resourcefulness.

Fourth, there is an inclination that people are "afraid of suffering losses and they are not willing to implement reforms." This point involves two aspects. In the first place people are afraid of suffering economic losses—such as that they have to pay higher rent when the housing system is reformed. In the second place they are afraid of suffering political losses—such as that with reform of the cadre system and the perfecting of the democratic supervision system in the Army, individual power, to a certain extent, will be weakened. In short, when reforms touch personal interests people will become reluctant and unenthusiastic in reforms. It is true that the deepening of the reforms will bring more profound readjustment in the interest relationships among various aspects in society. In the past, the material and interest structure of the Army was to a very great extent affected by "military communism;" and the methods of using materials adopted by a small number of units and individuals were still not reasonable, and there were also malpractices. Similarly, the phenomena that party committees control too many things also exists in the Army. As a result the bringing into play of the enthusiasm of various aspects is affected. It is completely essential to overcome these drawbacks through reforms. Of course, the opportunity and magnitude of the increases in interest of every individual in the course of reform are not equal. Sometimes, in order to reform the overall situation, some parts of personal interest have to be sacrificed and we have to suffer some "losses." A spirit of sacrifice is thus required. In the course of reform where interests are being adjusted, revolutionary soldiers should carry forward the revolutionary spirit of the frontier officers and men that: "Sacrificing myself for the well-being of the 1 billion people."

#### **100 Products Listed for Import Replacement**

HK2904105788 Beijing CHINA DAILY  
in English 29 Apr 88 p 2

[By staff reporter Liu Dizhoseng]

[Text] The State has drawn up a list of 100 machinery products, ranging from mini-buses to air-conditioners, which it wants to see produced at home rather than imported from abroad.

The detailed list of products, which are manufactured by enterprises under the Ministry of Aeronautics Industry, will be made public next month by the Ministry of Machine-Building and Electronics Industry.

It is part of the State's bid to reduce imports in order to let more home-made products occupy the domestic market, said an official of the Ministry of Machine-Building and Electronics Industry which is responsible for permitting the import of machinery products.

He predicted that if the replacement programme is fulfilled, the State will save \$270 million this year and more than \$420 million in 1990.

Because of the shortage of hard currency, China has been seeking to cut back the import of industrial products. Last year, the import of manufactured goods dropped to \$17 billion, about \$200 million less than the previous year.

Selected from more than 500 high-quality products made by some 100 enterprises under the Ministry of Aeronautics Industry, the 100 products named in the list are up to international standards in terms of quality, the official said. They include buses, motor-cycles, universal machines, various instruments and machines for the production of textiles, foods, medicines and refrigerators.

Some of these products have also been listed by the State as products for export. They have had customers in Bangladesh, the United States, Indonesia, Malaysia as well as some countries in Latin America.

The Ministry of Aeronautics Industry has made plans to expand the sale of its products in other world markets, the official said.

The ministry has been the major supplier of military planes for the Air Force. It began producing civilian products in the early 1980s and its 3,000 different varieties of products now make up more than 70 percent of the ministry's total annual output value.

#### **Vice Minister of Finance on Wage Reform**

OW2704210988 Beijing XINHUA Domestic Service  
in Chinese 0537 GMT 19 Apr 88

[By reporter Ding Jianmin, JINGJI RIBAO reporter Xie Zhenjiang]

[Text] Beijing, 19 Apr (XINHUA) — China has achieved marked success in experimental reform of the wage system among enterprises. Xiang Huaicheng, vice minister of finance, pointed out the other day that this year's reform of the wage system is to focus on linking wages with economic returns, which is necessary for further consolidating and improving the contracting managerial responsibility system among enterprises.



Xiang Huaicheng said: Only by linking wages with economic returns can an enterprise that adopts the contract managerial responsibility system be able to take into account the interests of the state, the enterprise, and its employees at the same time. If an enterprise carries out the contract managerial responsibility system but does not link wages with economic returns, it finds a way to amply reflect the interests of its staff and workers, or stimulate their initiative; and, accordingly, it will be more difficult for the enterprise to achieve the contracted goal. If an enterprise establishes a tie between wages and economic returns without implementing the contract managerial responsibility system, it leaves unsolved the problem of distributing benefits between the state and the enterprise; and it will not be able to have sustained, stable increase of economic returns. Therefore, in popularizing the contract managerial responsibility system, we also have to advocate the practice of linking wages with economic returns.

Xiang Huaicheng said: To push ahead with the practice of linking wages with economic returns, we must set up a control system at every level. The state assigns to the department or locality the base figures for the total payrolls and projected economic returns of its subordinate enterprises as well as the floating ratio between the two. Based on these figures, the department or locality will decide the base figures for wages and economic returns of its subordinate enterprises and their floating ratio. In this way, the local governments assume overall control over the reform of the wage system of enterprises, and thereby forms a wages management system which can exercise supervision in advance and make readjustment afterward at every level.

Xiang Huaicheng pointed out: It is important to accurately set the figures of economic returns in connection with wages. To ensure stable revenues for the state, enterprises that fail to fulfill tax payment or profit delivery quotas or make less profits than the previous year, should reduce the newly added portion of wages tied to performance.

It is learned that China has begun to link wages with economic returns since 1985 on an experimental basis. By the end of 1987, 3,147 enterprises employing 10.59 million people, or 25 percent of the large and medium-sized state-owned enterprises and 28.7 percent of their total employees, had been selected by the state to try out various forms of linkage. At present, the major forms of linkage are: linking wages with profits and taxes delivered to the state, linking wages with amounts of goods (work) accomplished as well as profit and tax delivery or the amount of profits realized by the enterprise, or fixing a ratio between the amount of wages and output.

This reform has preliminarily defined the relationships between the state and enterprises regarding the distribution of wages, and brought into full play the initiatives of enterprises and their workers. Statistics show that, in 1986, the 1,264 large and medium-sized state enterprises

authorized by the state to link wages with profit and tax delivery submitted 14.56 billion yuan of profits and taxes, up 24 percent over the previous year, and an increase of 28 percent in terms of per capita taxes and profits. Linking wages with economic returns can both greatly contribute to a sustained increase of revenues and help implement in a better way the principle of gradually improving the living conditions of the workers on the bases of a developed production.

Because the amount of wages in enterprises hinges more or less on economic returns, market and competition mechanism has thus been gradually introduced into the field of wages distribution, which accordingly changed the long-standing situation of enterprises dependent on the state for wages no matter what their economic performances are, and invigorated the enterprises. At the same time, linkage has also broadened the decision-making powers of enterprises and created favorable conditions for the implementation of the principle of distribution according to labor in enterprises. Thus enterprises are able to rationally widen the difference of workers' wages and change the situation of employees receiving the same wage regardless of their job performances.

**He Kang on Agricultural Customs Improvement**  
OW2904121288 Beijing XINHUA in English  
0148 GMT 29 Apr 88

[Text] Beijing, April 29 (XINHUA) — China wishes to become more efficient in inspecting those plants and animals coming into the country.

"Better testing techniques and work sites along with simpler procedures are the targets for future improvement," Minister of Agriculture He Kang said.

The inspection process should not only involve checking the plants and animals for disease, he said, but should also promote foreign trade and make the import of high-quality breeds of plants and animals easier.

Government statistics show, as of the end of last year, 146 institutions, whose job is to inspect plants and animals entering the country's ports, have been set up nationwide.

China now has a network of plant and animal checkpoints in the country's 118 land, sea, and air ports.

**Minister Zeng Xianlin Addresses Craft Meeting**  
OW2704203888 Beijing XINHUA Domestic Service  
in Chinese 0736 GMT 25 Apr 88

[By reporter Wu Jincai]

[Text] Beijing, 25 Apr (XINHUA) — The Third National Congress of Handicraftsmen and Specialized Technicians opened here today.

This meeting of outstanding representatives of the handicraft trade was convened with the approval of the State Council. More than 500 handicrafts specialists from various localities who are well known and have made their contributions are attending the congress.

According to the Ministry of Light Industry's General Handicraft Corporation, handicraft products have been China's traditional export staple, accounting for over one third of the foreign exchange earned by the entire light industry. Speaking at the congress, Light Industry Minister Zeng Xianlin noted that, traditionally, the production of handicraft products is mostly concentrated in the coastal areas and handicraft products are labor-intensive products. Handicraft therefore represents a key trade for light industry to develop an export-oriented economy. He called on the handicraft trade to take full advantage of the favorable opportunity and adopt various methods and approaches to expand its export in every way possible.

Zeng Xianlin hoped the handicraft trade will attain speedier development in the next few years and strive to increase its total output value to 12.2 billion yuan and its foreign exchange earnings to \$3 billion by 1990.

Zeng Xianlin also reminded the congress that, commodity economy being competitive as it is, production of traditional handicraft products will be elbowed aside if no special policy and measures are adopted to protect it. On this subject, he proposed some preferential policies and supporting measures.

Responsible persons of the State Commission of Science and Technology, Ministry of Foreign Economic Relations and Trade and Ministry of Culture extended congratulations in their speeches to the congress.

**National Inventors Award Candidates Named**  
*OW2904143688 Beijing XINHUA in English*  
*0029 GMT 29 Apr 88*

[Text] Beijing, April 29 (XINHUA) — The Recommendation and Examination Committee under China's State Science and Technology Commission Thursday made public the names of 272 applicants for this year's National Invention Awards.

The applicants cover the fields of metallurgy and chemistry, machine-building, electronics and instruments, medical science, geology and minerals, engineering construction, agriculture, forestry, textiles and light industries and national defence.

A committee official said that the applicants were whittled down from a total of 379 after the preliminary examination.

He said, any objections to those inventions or inventors should be raised with the examination committee within the next three months. The remaining applicants will then be examined by 11 expert groups, and those that pass will later be given National Invention Awards.

The National Invention Award is one of the country's major awards in the field of science and technology.

Since China's State council promulgated the regulations on awarding inventions in December 1978, altogether 1,344 inventions have won such awards. Incomplete statistics show that invention award winners have, through their efforts, boosted economic activity to the tune of 32.8 billion yuan. Quite a number of them have won gold or silver medals at international invention exhibitions or technology trade fairs abroad.

### East Region

#### **Jiangsu's Han Addresses Discipline Meeting** *OW2804141088 Nanjing Jiangsu Provincial Service in Mandarin 2200 GMT 24 Apr 88*

[Text] Speaking at an expanded meeting of the Jiangsu Provincial Discipline Inspection Commission which closed on 24 April, Han Peixin, secretary of the Jiangsu Provincial CPC Committee, pointed out: In the new situation of developing commodity economy and opening to the outside world, the problem of whether party and government organs can maintain an honest and hardworking style in performing their official duties has become a key factor that is crucial to the success of our reform and opening policy. Comrade Han Peixin said: What is noteworthy is that much of the current unhealthy practices do not come from grass-roots units, but from leading organs and cadres. Our party is a ruling party, and most leading cadres of party and government organs are the core members of the party. How the people view the style of the party, in a sense, largely depends on the way we do our work and the mentality of cadres of party and government organs. If the workstyle of leading organs and cadres is well established, the good workstyle would serve as a good example for the great numbers of grass-roots units, party members, and cadres; and would give impetus to improving the entire party style and social atmosphere.

Comrade Han Peixin stressed: To maintain and carry forward the honest work style of party and government organs, we need to do the following things: First, we should investigate into and strictly handle cases involving unhealthy practice. Discipline inspection departments should organize a work force to first deal with those unhealthy practices that have aroused most complaints from cadres and the masses. Cases involving serious violation of party discipline must be strictly handled according to party and administrative regulations. Those who have committed offenses or acted against the law must be brought to justice. Major leaders of a locality or unit who wink at or appease wrongdoings of party members, or who are not able to correct unhealthy practices that have existed for a prolonged time must be investigated for responsibility. Second, we should make effort to establish a system for overseeing unhealthy practice. We should strive to improve such system once it is established, and ensure that everything is done according to the system, so that the vast numbers of party members and cadres have established rules to follow and the masses have proper channels and ways to effectively oversee the behaviour and conduct of party members and cadres. Third, we should rigorously promote honest workstyle. Party committees and discipline inspection commissions at all levels should properly conduct positive education among party members to enable every party member to understand that, in the situation of reform, opening to the outside world, and being members of a ruling party, whether a party member is honest or not is an important criterion for judging

if he or she is able to stand trials and tests. At the same time, we should promote honest work style first by relentlessly combating the practice of spending excessively and giving unnecessary banquets.

Comrade Han Peixin hoped that party committees at all levels would give full support to discipline inspection departments' work, and that discipline inspection departments at all levels would support in a clear-cut manner the press, radio, and television in making correct criticism, so that the press and entertainment industry could play a proper role in overseeing the party's style.

#### **Jiangsu's Han Addresses Commendation Meeting** *OW2804163188 Nanjing Jiangsu Provincial Service in Mandarin 2200 GMT 27 Apr 88*

[News report dated 27 April by reporter Zhu Changsheng: "Jiangsu Province Holds Ceremony To Commend Advanced Collectives and Model Workers;" from the "News and Press Review" program—portions recorded]

[Excerpts] A meeting to commend advanced collectives and model workers in Jiangsu Province opened with grandeur at 1600 in the newly completed Hongqiao Hotel in Nanjing. Leading comrades Han Peixin, Gu Xiulian, Sun Han, Sun Jiazheng, Qian Zhonghan, Yue Dewang, (Lu Hao), Zhou Ze, Li Zhizhong, (Lin Qihong), Yang Yongyi, Zhang Xuwu, Li Shouzhong, Wu Xijun, and (Cao Keming) attended the meeting and were seated at the rostrum.

Governor Gu Xiulian read a decision to commend the advanced collectives and model workers in Jiangsu Province. [Begin recording] Since the previous commendation meeting for advanced collectives and model workers was held in 1985, an additional large number of advanced collectives and model workers have emerged in our province. To commend the advanced and give fuller play to the workers' role as examples, vanguards, bridges, and backbones in socialist construction, the provincial people's government has decided to confer the title of advanced collectives of Jiangsu Province on 407 units and award them certificates to this effect. Also, it has decided to confer the title of model workers of Jiangsu Province on 1,091 comrades, who will be given model worker medals and certificates. [end recording] [passage omitted]

In an animated atmosphere, responsible people from the provincial party committee, Advisory Commission, People's Congress, people's government, CPPCC Committee, Discipline Inspection Commission, and Military District presented awards to the representatives of advanced collectives and model workers.

Han Peixin, secretary of the provincial party committee, delivered a speech at the meeting. He said:



[Begin Han Peixin recording] Comrades, on behalf of the party committee and the people's government of Jiangsu Province, I wish, first of all, to pay high respect to the representatives of the advanced collectives and model workers present at today's meeting as well as all advanced collectives and model workers in the province and to extend best regards to all workers, peasants, intellectuals and [words indistinct] in the province. [applause]

The primary reason for holding this commendation meeting is to continually promote among the people throughout the province the spirit of working hard, making contributions willingly, and being bold in exploring new ways to advance, which is characteristic of advanced collectives and model workers. We also wish to bring into being a fine mood to all of society in which the better the service to the people and the more the contributions, the greater the glory. At present, the economy of our country is still not very well developed. Because of this, we are especially required to promote continually among the people throughout the province the spirit of uniting as one, struggling hard, working conscientiously and industriously, exploring and blazing new trails, and being bold to make sacrifice. The provincial party committee and people's government hope that through this meeting the touching deeds and admirable spirit of the advanced collectives and model workers will spread throughout Jiangsu and will develop, blossom, and bear fruits. It is hoped that there will appear a new trend of the times where everyone is learning from, catching up with, and becoming the advanced so as to promote the continuous progress of the work of building socialist material and spiritual civilizations.

Comrades, the people in the whole province are now studying and implementing in depth the guidelines set at the 13th CPC National Congress and the 1st Session of the 7th NPC and putting into practice the economic development strategy for coastal areas established by the party Central Committee and the State Council. In accordance with the requirements of emancipating the mind, changing the concept, acting flexibility, and doing bold and practical work, they are transforming their thinking and understanding, improving their political quality, accelerating their pace in developing the export-oriented economy, and speeding up the development of science and technology so as to push our province's economic construction to a new stage. To achieve this objective, what is needed is not only good policies and measures, but also proper mindset, workstyle, and work efficiency. This, in turn, requires all advanced collectives and model workers in the province to continue playing their role as examples and vanguards, create a spirit of the times commensurate with reform and the open policy, and ceaselessly make new contributions to building the two civilizations. [applause] [end recording]

**Nanjing Military Region's Fu Visits Company**  
*OW2804154688 Nanjing Jiangsu Provincial Service  
in Mandarin 2200 GMT 27 88*

[Text] On 25 April, Fu Kuiqing, deputy to the Seventh NPC and political commissar of the Nanjing Military Region, and Liu Lunxian, chief of staff of this Military Region, visited a model woman's signal company at the First Communications General Station of the Military Region. They answered questions posed by cadres and fighters about the study of the guidelines of the First Session of the Seventh NPC.

(Huang Min), who is in charge of the company's logistics work, spoke on the price problem. She said: In the past, we could have a rather good dinner every week, consisting of six dishes and one soup. Last year, after we had a good dinner, all we had to do to balance the budget was to have a cheap bean curd meal. This year, if we want to enjoy a good dinner, we have to eat three poor bean curd meals so as not to exceed the budget.

After hearing this, Comrade Fu Kuiqing said with a smile: In dealing with the question of commodity prices, we have to note several points: First, the rise in commodity prices is an effect of the law of value. In our country, the prices of agricultural and sideline products and of primary industrial products have remained too low for a long time; that is, the price system has been irrational. Second, the solution to the price problem in our country requires the efforts of all, including those at the high and low levels. The key solution is to develop production. In Nanjing, vegetables are sold at 0.8 to 0.9 yuan a jin in winter. The high price results from the scarcity of supply. Now, there is an ample vegetable supply, and the price is only 0.1 to 0.2 yuan per jin. With the development of production and a plentiful supply of commodities, prices will naturally come down. Third, it is necessary to be mentally prepared to overcome difficulties.

**Shandong CPPCC Standing Committee Meeting Ends**  
*SK2804070688 Jinan Shandong Provincial Service  
in Mandarin 2200 GMT 23 Apr 88*

[Text] The second Standing Committee plenary meeting of the sixth provincial CPPCC Committee ended in Jinan on 23 April after a 4-day session.

During the meeting, the committee members enthusiastically pondered the topics for discussion and aired their views freely, and offered opinions and suggestions for successfully carrying out the provincial CPPCC work. Zhou Zhenxing, vice chairman of the provincial CPPCC Committee, presided over the meeting held on the morning of 23 April.

The meeting adopted the sixth provincial CPPCC Committee's decision on establishment of special committees; a namelist of the provincial CPPCC Committee's

Standing Committee on personnel appointments and removals; and appointed (Qi Kang) and (Liu Zhiming) deputy secretaries general of the provincial CPPCC Committee.

The meeting also adopted the provincial CPPCC Committee's opinions on arrangements for current work.

Li Zichao, chairman of the provincial CPPCC Committee, gave a speech at the end of the meeting. He pointed out: It is necessary to further strengthen the democratic consciousness of committee members. In the future, the provincial party committee, in addition to holding timely discussions and consultation on some major policies and important affairs with the provincial CPPCC Committee, various democratic parties and persons from all circles will also regularly hold forums with responsible persons of various democratic parties. The provincial CPPCC Committee will also further improve the system for holding meetings. On the premise of upholding the four cardinal principles, we should encourage persons from all walks of life to have courage to speak directly and frankly and serve as true friends, actively participate in managing major state and local affairs, and fully exercise their democratic supervisory powers.

**Taiwan Compatriots Congress Opens in Shandong**  
SK2804050688 Jinan Shandong Provincial Service  
in Mandarin 2200 GMT 23 Apr 88

[Text] The Third Shandong Congress of Taiwan Compatriots opened in Jinan's Nanjiao Guesthouse on the morning of 23 April.

On behalf of the second board of directors of the provincial Federation of Taiwan Compatriots, (Li Huizhong), vice president of the federation, delivered a work report to the congress. In his report, he points out: Over the past 3 years, the provincial Federation of Taiwan Compatriots has actively conducted fellowship activities in an effort to unceasingly improve friendship with fellow townsmen. We have received 49 groups of Taiwan compatriots from abroad and Taiwan Island, a total of 217 persons. About 60 percent of Taiwan-related households in the province have established postal communications or contacts with Taiwan relatives. The federation has also gradually extended the fellowship activities to the economic sphere. So far, our province's Taiwan compatriots have helped the relevant departments conduct 47 trade talks and sign 4 letters of intention and agreements, thus contributing their efforts to making the people rich and Shandong Province prosperous.

Lu Maozeng, deputy secretary of the provincial party committee, attended the congress to extend congratulations and addressed the congress. He said: The provincial Federation of Taiwan Compatriots is an important force for conducting overseas contacts of the province's

united front. It is necessary to fully display the superiority of their extensive foreign contacts of Taiwan compatriots and their family members; emancipate minds; actively and boldly make friends, on our own initiative; carry out our work through various spheres, channels, layers and forms of activities; promote economic, scientific, technological, cultural and sports exchanges between people on both sides of the Taiwan Straits, actively import funds and technology, and serve our province's economic construction. We should conscientiously receive Taiwan compatriots who come to Shandong to visit relatives or for sightseeing, visits and trade talks, and introduce to them the motherland's new situation in reform and opening up in a fact-seeking manner, in an effort to promote fellowship, make friendly contacts and improve understanding with them.

Leading comrades of the provincial People's Congress Standing Committee, the provincial CPPCC Committee, and the United Front Work Department of the provincial party committee, including Xu Jianchun, Zhou Zhenxing, and Xu Wenyuan, attended the congress.

**Shandong Prefecture Encourages Foreign Investment**  
OW2804142888 Beijing Domestic Service in Mandarin  
2130 GMT 26 Apr 88

[Text] To improve the environment for investment and develop export-oriented economy, Heze Prefecture, Shandong, worked out on 26 April favored measures to encourage foreign investors. The favored measures stipulate that the construction of joint ventures in Heze Prefecture should be guaranteed as key projects. The construction and installation expenses should be calculated and collected in accordance with the standard of state enterprises of the same trade in the prefecture. In accordance with contracts, bank departments should guarantee payments for the insufficient part of the capital stock of fixed assets to be delivered by the Chinese side in a joint venture. Bank departments should, according to contracts, guarantee the offering of loans to solve the question of joint ventures' circulating funds if contracts have so stipulated. Bank departments should also make plan and solve on a priority basis the shortage of short-term working fund and other necessary funds of credit loans in the process of production for joint ventures.

All joint ventures are exempted from local income tax. Enterprises whose products are for export are exempted from fee for the use of land and arable land.

Additional profits should be offered to joint ventures' foreign investors: If a foreign investor's share capital exceeds 50 percent of the registered capital, and if the duration of joint management is longer than 15 years,



the Chinese side should offer 10 percent of the profits it gets to the foreign investor each year for 5 consecutive years beginning from the year the joint venture starts to earn profits.

**Shanghai People's Congress Session Opens**  
*OW2804090788 Shanghai JIEFANG RIBAO*  
*in Chinese 21 Apr p 1*

[Text] The First Session of the Ninth Shanghai Municipal People's Congress opened ceremoniously in the central hall of the Shanghai Exhibition Center yesterday morning.

Two-thirds of the deputies attending the session were newly elected. The deputies will discuss government affairs and Shanghai's major policies, and will elect leading personnel of state organs in Shanghai.

It was a bright, sunny day yesterday. The Shanghai Exhibition Center was bathed in a spring breeze. In front of the rostrum in the central hall were all kinds of flowers. A splendid green and gold national emblem of the People's Republic of China was hung in the center of the rostrum. Ten red flags, five on each flank, looked especially solemn. Present at yesterday's meeting were 850 deputies.

The executive chairmen at yesterday's meeting were Jiang Zemin, Hu Lijiao, Wu Bangguo, Ye Gongqi, Zhao Zukang, Chen Tiedi (female), Sun Guizhang, Liu Jingji, Tan Jiazhen, Liu Nianzhi, Hua Liangui, Ye Shuhua (female), Wang Zhongda, Ba Zhongtan, Lu Changxin, Chen Lisheng, Ling Sipei, Guo Jian, Huang Yuanji, and Chu Houren.

Also seated on the rostrum were Zhu Rongji, Chen Guodong, Wang Daohan, Yang Di, Huang Ju, Zeng Qinghong, Zhang Dinghong, Shi Zhusan, Zhao Qizheng, Wang Liping, Wang Zhifan, Zhao Xingzhi, Zhu Daren, Wang Jian, Pei Xianbai, Wu Ruolan, Shu Wen, Li Zhaoji, Liu Zhenyuan, Ni Tianzeng, Xie Lijuan, Qian Xuezhong, Li Chuwen, Xie Xide, Li Guohao, Mao Jingquan, Zhao Chaogou, Xu Yifang, Tang Junyuan, Dong Yinchu, Zhang Ruifang, Yang You, Yan Dongsheng, Wang Xing, Chen Mingshan, Zheng Lizhi, Zhao Xianchu, Wu Zengliang, Chen Yi, Yang Shifa, Wu Wenqi and Zhou Bi.

Su Buqing, vice chairman of the CPPCC National Committee, was also seated on the rostrum.

Members of the municipal CPPCC Committee attending the First Session of the Seventh Shanghai Municipal CPPCC Committee were present at the People's Congress session as observers. Also present were some deputies of the Seventh NPC residing in Shanghai, and responsible persons of various provincial and city offices and central organs in Shanghai.

At 9 am sharp, Executive Chairman Ye Gongqi announced the opening of the First Session of the Ninth Shanghai Municipal People's Congress. Then, the band played the majestic National Anthem of the PRC.

Amid a warm applause, Mayor Jiang Zemin delivered a report on the work of the Shanghai municipal people's government. The report contains three parts: 1) The work in 1987 and in last 5 years, 2) a tentative plan for Shanghai's economic and social development in next 5 years, and 3) the major work for 1988.

Jiang Zemin recalled the new progress made by Shanghai in economic and social development in 1987 and the paths taken by Shanghai in the last 5 years. He said: In the last 5 years, we adhered to the four cardinal principles and consolidated and enhanced the political situation of stability and unity. We concentrated on economic construction, fulfilled all targets of the Sixth 5-Year Plan, and began to implement the Seventh 5-Year Plan. We persistently pursued the policy of reform and opening to the outside world, made painstaking exploration and promoted the progress in all work in the course of shifting from old economic structure to the new one. Profound changes have taken place in Shanghai's economy and society in last 5 years.

Jiang Zemin said: The 13th CPC National Congress laid down the party's basic line for the initial stage of socialism, and put forward the strategic objective of the second-stage economic development — the objective of making the people reasonably prosperous. In the course of realizing this splendid objective, Shanghai has two tasks. On the one hand, Shanghai should march in the vanguard of China's four modernizations, be the first to build itself into a modern urban center with a high level of industrialization and economic, cultural, scientific and technological prosperity, and turn itself into one of the economic, trade, banking, and information centers in the western Pacific. On the other hand, Shanghai should constantly make new contributions to China's reform and economic development, become a bridge between China and foreign countries, provide the interior regions with export trade service, cooperate with interior enterprises in opening up international market, transfer international market information, advanced imported technology and management methods to interior regions, and play the role of a base and window in China's modernization. In order to perform these tasks, Shanghai must further strengthen reforms, open itself wider to the outside world, resolutely implement the economic development strategy for coastal regions formulated by the central authorities, actively enter the international market, take part in international exchanges and competition, and develop an export-oriented economy. This is the strategic option and fundamental way out for Shanghai's development.

On the 1988 work, Jiang Zemin put the emphasis on work in the following 10 respects: 1) to achieve a steady growth of industrial and agricultural production according to market demand, 2) to invigorate enterprises by the

contracted managerial responsibility system in all enterprises, 3) to increase exports, accelerate the use of foreign capital and open Shanghai wider to the outside world, 4) to accelerate scientific and technological progress and the development of intellectual resources to promote economic development, 5) to pay attention to priority projects in connection with urban construction and administration, 6) to increase commodity supply and keep prices under control, 7) to resolutely reduce administrative expenditures, control institutional purchases and stop waste and extravagance, 8) to further streamline administration and institute decentralization and improve the work of the government, 9) to display socialist democracy and improve the socialist legal system, and 10) to actively develop social undertakings and promote the building of socialist spiritual civilization.

In conclusion, Jiang Zemin said: Shanghai today is at an important turning point of history. It is our honor that Shanghai has been in the front ranks of China in many respects for a long time. However, it seems that Shanghai has not yet adapted itself well to shifting to a planned commodity economy. In this regard, we are not as active and pioneering as other provinces and municipalities in thinking. We should modestly learn from fraternal provinces and municipalities and listen to their comments on Shanghai. We should have the courage to admit our backwardness, but we should not willingly remain backward. In order to develop Shanghai at such a moment, we must have high morale. We have no reason to be complacent about past achievements and remain idle. Nor do we have any reason to blame everyone and everything but ourselves and fail to work hard. In the great undertaking to revitalize China, we must use our own hands to write a new page for Shanghai's development.

#### **Elects Officials**

OW2904080388 Beijing XINHUA Domestic Service  
in Chinese 2212 GMT 22 Apr 88

[Text] Shanghai, 28 Apr (XINHUA) — The First Session of the Ninth Shanghai People's Congress elected 10 municipal people's congress Standing Committee vice chairmen and 7 vice mayors today.

The new vice chairmen are Wang Chongji [3769 1504 1015], Ye Shuhua, Hua Liankui, Liu Zhizhi [0491 1807 2535], Liu Jingji, Sun Guizhang [1327 6311 3864], Li Jiagao [2621 1316 6964], Tan Jiazhen, Chen Tiedi [7115 6993 6611], and Zhao Zukang.

The new vice mayors are Zhuang Xiaotian [8369 2556 1131], Liu Zhenyuan, Gu Zhuanshun [7357 0278 7311], Ni Tianzeng, Ni Hongfu [0242 7703 4395], Huang Ju, and Xie Lijuan.

The first session of the municipal People's Congress adopted a system of election in which the number of candidates exceeds that of those elected. At the deputies' request, the candidates met them before the election to

brief them on their experiences and achievements in their official careers and to tell the deputies about their work plans if they are elected. This enabled the deputies to understand them better and make their own decision when they cast their votes.

#### **Vice Mayors Profiled**

OW2804145188 Beijing XINHUA in English  
1356 GMT 28 Apr 88

[Text] Shanghai, April 28 (XINHUA) — The new municipal government of Shanghai was formed today with the election of seven vice-mayors. The new mayor, Zhu Rongji, a former vice-minister of the State Economic Commission, was elected on April 25.

The vice-mayors were elected by the First Plenary Session of the Ninth Shanghai Municipal People's Congress. Today's meeting also elected 10 vice-chairmen of the Standing Committee of the Municipal People's Congress.

Among the seven vice-mayors, four - Liu Zhenyuan, Ni Tianzeng, Huang Ju and Xie Lijuan - were re-elected. The other three - Zhuang Xiaotian, Gu Chuanxun and Ni Hongfu - will hold the job for the first time. The average age is just over 53 years old.

Seven out of the eight new government leaders received higher education, majoring in such fields as electric motor manufacturing, metallurgy, electronics, construction design and medical sciences.

Ni Hongfu was the only one of the new vice-mayors to be nominated as a candidate directly by the deputies to the session.

Gu Chuanxun is director of the Shanghai Petro-Chemical Works, one of the country's 50 largest enterprises. He is said to be the first person in Shanghai to be elected as a vice-mayor straight from a post as a factory director.

#### **Noncommunist Parties Improve Zhejiang Economy**

OW2904024488 Beijing XINHUA in English  
1410 GMT 28 Apr 88

[Text] Ningbo, April 28 (XINHUA) — Non-communist party members are making concerted efforts to help improve the local economy in the southern Chinese city of Ningbo, Zhejiang Province.

Seven of China's eight non-communist parties have set up branch offices in the city. They include: the Revolutionary Committee of the Chinese Kuomintang, the China Democratic League, the China Democratic National Construction Association, the China Association for Promoting Democracy, the Chinese Peasants and Workers Democratic Party, the China Zhi Gong Dang (Public Interest Party) and the Jiusan Society.

"We have taken every opportunity to introduce our city to the rest of the world," said Sun Jie, a senior member of the local office of the China Democratic League. He estimated that over one third of the 1,400 local non-communist party members have overseas relations.

"We write letters, books and articles to tell our friends and relatives abroad what has been happening here. We also talk person to person when we have the chance in order to gain the support of our Overseas Chinese friends, especially those who trace their roots to Ningbo," he said.

Mao Yihu, a member of the local branch of the Revolutionary Committee of the Chinese Kuomintang, has seen his articles about Ningbo well received by overseas publications and well-read by Overseas Chinese who consider Ningbo their hometown.

Their efforts have paid off. According to Sun, Overseas Chinese have donated almost 4.3 million yuan (1.14 million U.S. dollars) toward the construction of 18 projects in the city thanks largely to the liaison work carried on by the members of the non-communist parties.

"Actually, we have had a direct hand in 131 projects involving outside investments totaling 2.45 million U.S. dollars," he said. "I myself have helped in one project involving 600,000 U.S. dollars."

As many of the members are scholars, they have also dedicated themselves to the improvement of local education by setting up many technical or professional schools to train more students in foreign languages, management, accounting, finance and law.

Yang Zhoulong, a senior engineer who belongs to the Jiusan Society, submitted a plan for a project in a petrochemical factory. His plan, which was adopted, has subsequently saved the plant 10 million yuan in investment spending.

## Central-South Region

### Flourishing of Shenzhen Noted in Paper

#### Exports Grow

HK2804091588 Beijing CHINA DAILY  
(SHENZHEN SUPPLEMENT) in English 28 Apr 88 p 1

[By Li Chaoqi]

[Text] Exports by the Shenzhen Special Economic Zone (SSEZ) to foreign countries totalled \$1.41 billion last year. This represented an increase of 94.8 percent over the figure for 1986 when only eight provinces or municipalities in the country surpassed the Shenzhen Special

Economic Zone in the volume of annual exports. The figure was also 151 times greater than the figure for export volume in 1979, before the SSEZ had been set up.

There is a great variety of export goods including cotton yarn, cotton cloth, chemical-cotton blends, clothes, household electrical appliances, electronic watches, bicycles, aluminium products, nonferrous metal products, pigs, poultry, freshwater fish, fresh fruit and vegetables.

The rapid development of the SSEZ in foreign trade has been characterized by the following:

First, the pattern of export goods has undergone changes.

Agricultural and sideline products made up a large proportion of the zone's export goods at the beginning owing to the low level of industry there.

But in 1985, the situation began to change, when the proportion of industrial products, including light industrial and mineral products, increased to 53.9 percent of the total export volume, thus exceeding that of the agricultural and sideline products. In 1987, Shenzhen exported \$1,032 million worth of industrial and mineral goods, 2.4 times higher than the figure for the previous year. This increased the proportion of such goods in the total export volume to 73 percent.

The absolute volume of agricultural and sideline exports continued to increase, standing at \$254 million in 1987, or 1.5 times that of the previous year. The method of agricultural and sideline production also has changed from scattered, extensive cultivation and breeding to intensive production in the export bases. In addition, popular products are now being replaced by high-quality, high-grade ones, with more beneficial economic results.

Second, Shenzhen-made goods are now a large proportion of the total exports.

Of the 800 different kinds of goods made in Shenzhen, 400 have now entered the international market. In 1987, the total value of Shenzhen-made exported goods was \$820 million, about 58 percent of the total exports for the year. At the same time a great many products made outside Shenzhen started selling well on the international market, thanks to the efforts of the SSEZ in developing export sources.

Third, the markets for SSEZ exports have been diversified.

The SSEZ used to sell almost all its export goods to Hong Kong and Macao, but since 1985, the situation has changed significantly. Last year, the SSEZ had direct trade with 32 countries and areas abroad other than Hong Kong and Macao. These include North America, West Europe, the Middle East, Australia and Southeast Asia. The SSEZ sold a total of \$55 million of goods to



them. This was 15 percent more than in the previous year, increasing the proportion of exports to areas other than Hong Kong and Macao to 3.9 percent.

At present, Shenzhen has a great number of newly developed advanced goods which have a foot hold in the international market with regular sales services. The SSEZ's television sets, radio-cassette recorders and some other electronic products are now sold in Europe and North America. Some, produced by businesses with Japanese investment, are sold back in Japan.

Fourth, the structure of imports has been readjusted for the better.

Last year, as a result of further control of imports of consumer goods for non-productive use, the total volume of imports dropped to \$1,144 million in Shenzhen. Of this, 72.41 percent, or \$829 million was used for production materials, a 12.7 percent decrease over the previous year; and 16.58 percent, or \$190 million, was for livelihood materials, 10.02 percent more than in the previous year. The control of imports of consumer goods for non-productive use enables more of the limited foreign currency to be utilized for production purpose in the SSEZ by importing advanced technology, equipment and urgently needed raw materials.

The SSEZ's foreign trade is now under a new development stage. A foreign trade management system, with different layers and multiple components, is being improved. A large number of comprehensive foreign trade businesses, production enterprises that combine industry, agriculture and trade, and foreign-invested firms that have the power to sell products on their own are playing active roles and moving towards higher goals.

#### **Foreign Investments Noted**

HK2804091388 Beijing CHINA DAILY  
(SHENZHEN SUPPLEMENT) in English 28 Apr 88 p 1

[By Li Chaoqi]

[Text] Shenzhen Special Economic Zone had signed 5,485 investment agreements with foreign businessmen from 22 countries and regions by the end of 1987. A total investment of \$4.514 billion was involved, and about \$1.88 billion has been used so far.

Shenzhen's foreign investment in the early 1980s came mainly from Hong Kong and Macao. Now, businessmen from developed countries, including the United States, Japan and Europe, have invested in the zone. Large international financial groups have also been attracted there.

The zone's foreign fund users have been extended from non-production projects to export-oriented enterprises. Economic cooperation has been developed. Apart from processing industries using materials from foreign partners, which started in 1979, joint ventures, co-operative projects and

projects solely owned by foreigners have also been flourishing in the zone. Sino-foreign co-operation projects now involve not only labour-intensive enterprises but also factories with complicated technology.

Most of the projects supported by foreign investments are industrial enterprises. By the end of last year, 2,623 contracts for industrial projects were signed between the zone and foreign firms. About \$2.048 billion was involved, accounting for 45 percent of the zone's total foreign investment. About \$870 million was used by the zone's industry by the end of 1987, ranking first among all trades in the zone.

Apart from industry, foreign businessmen have also invested in the zone's real estate, tourism, communications, telecommunications and commercial and service trades.

Among foreign investment contracts signed between the zone and foreign businessmen, 1,609 were for joint ventures, co-operative projects and projects solely owned by foreign businessmen, accounting for 82 percent of the total.

According to the zone's statistics, Shenzhen has opened 1,300 such projects, of which 98 are solely owned by foreigners.

Processing industries using supplied materials, assembling with imported parts and compensation trade are mainstays of the zone's industry.

By the end of 1987, the zone signed 6,900 contracts valued at \$1.5 billion for processing and assembling projects with imported materials and parts and compensation trade. Projects involving \$980 million have gone into operation.

At the same time, the zone has imported equipment valued at \$500 million from abroad.

Apart from foreign investment, the zone, where 23 foreign banks have opened branches and representative offices, has also borrowed loans from foreign banks.

#### **Airport To Boost Links**

HK2804091188 Beijing CHINA DAILY  
(SHENZHEN SUPPLEMENT) in English 28 Apr 88 p 2

[By Huang Guobin]

[Text] The Shenzhen Special Economic Zone has made remarkable progress in its urban infrastructure since the zone was established eight years ago.

In 1980, according to the provision approved by the National People's Congress, 327.5 square kilometres of land in Shenzhen was allocated as the Shenzhen Special Economic Zone. Since then, great changes have taken place. Taking a bird's eye-view from the top of the 53-story international trade building in the Luohu District of Shenzhen, one can see a busy and booming city with high-rises here and there and roads leading in all directions.

Shenzhen was once a small and backward border village of only three square kilometres and with a population of 23,000. There were 1.09 million square metres of floor space with little industry and poor infrastructure facilities.

At the initial stage, the city government resolved to change the situation by taking full advantage of the State policy and special treatment. It has drawn investment through all channels and in different patterns to add roads, water systems, electricity, communication facilities, sewage, heating systems and land development. So far, the city has done the following work.

First, a modern urban city took shape. Initially the zone concentrated on developing two square kilometres in the Luohu District to enable this commercial area to repay the investment within a short time.

Following Luohu, the districts of Shangbu, Shekou, Nantou, Shatoujiao and Shahe, totalling 48 square kilometres, were built. By 1987, the city had completed 10.4 billion yuan worth of urban construction with six industrial districts and one science and technology district, 14 residential areas as well as a great number of workshops, office buildings, hotels, restaurants, warehouses and tourism and cultural facilities totalling 14 million square metres of floor space.

Second, a convenient transportation network of sea, land and air was developed. Roads radiate in all directions with a total length of over 200 kilometres. Two fly-overs and railway overpasses and the Wutong Mountain road tunnel between Shenzhen and Shatoujiao have been built. A computer-controlled traffic system was installed at major junctions in the city to speed up the traffic flow. A Hong Kong-Guangzhou-Zhuhai highway is under construction. The double-track railway between Guangzhou and Shenzhen is already in use. In addition, the Luohu and Wenjindu ports have been revamped and three new ports set up at Shatoujiao, Shekou and Xiao Meisha to facilitate the entry and exit of cargo and overseas visitors.

Rapid development is also seen in harbour building. So far, seven wharves, at Xingang, Dongjiaotou, Shangbu, Meisha, Shekou and Chidu, with 40 piers of various types can handle five million tons of cargo yearly. They are called at by ships from more than 30 countries and regions, including Denmark, Poland, Australia, Japan, India, Thailand and Hong Kong.

The Nantou Helicopter Airport is already in use and the large Shenzhen International Airport will be built soon in Huangtian. When it is completed, Shenzhen's link with the outside world will be greatly improved.

Third, a network of advanced post and telecommunication has been set up with a total of 41,500 automatic phones. The long-distance telephone system links Shenzhen directly with nearly 100 inland cities and places in the United States, Britain, France, Japan, Singapore and Hong Kong. In addition, express mail service has been introduced to help promote development of the zone.

Fourth, infrastructure facilities have been greatly improved. In the past few years, 913 kilometres of sewage pipes has been laid and many flood control projects completed.

In terms of electricity, apart from putting up a number of transformer substations and purchasing 100,000 kilowatt hours of electricity daily from Hong Kong, the zone has built at Shajiao, in cooperation with foreign firms, a power station with a total generating capacity of 700,000 kilowatt hours. The Daya Bay Nuclear Power Station, now under construction, will supply ample electricity when it is completed.

The zone has built four running water plants, which supply 240,000 tons of water daily, and the largest waste water purifying plant in the country.

Fifth, emphasis has been on the urban environment. In the past eight years, the zone has not only put up thousands of high-rises, but also immense subsidiary facilities to provide a garden-like environment for the residents. Thousands of garbage collectors take away 400 tons of waste daily. For three years, since 1984, Shenzhen has been cited as a model of good environment in Guangdong Province.

The city's reforestation bureau has planted one million square metres of grass and trees along its 100 kilometres of roads. As a result, the green area in the city totals 36 percent of all the urban area, an average of 6.6 square metres per person.

The environmental protection work has always given priority to keeping the city clean. According to tests conducted by the environmental protection units, air pollution in Shenzhen is less than that in other Chinese cities. Therefore, it can be said that the environment in Shenzhen is beautiful and the air is fresh and clean.

**Guangxi Leader Discusses Spring Farming Problems**  
*HK2804144788 Nanning Guangxi Regional Service*  
*in Mandarin 1030 GMT 27 Apr 88*

[Excerpt] The autonomous regional people's government last night held a telephone conference on spring farming production, calling on leaders at all levels and relevant departments to concentrate their energies on promoting spring farming production work.

In his speech at the telephone conference Cheng Kejie, vice chairman of the autonomous regional people's government, said: In the light of the spirit of a 23 April telephone conference on spring farming production conducted by the Ministry of Agriculture, Animal Husbandry, and Fishery, plus three other ministries and one bureau, our regional telephone conference is aimed at mobilizing people's government at all levels and relevant departments to concentrate their energies on promoting spring farming production and to strive by every means to fulfill by 10 May, or 15 May at the latest, the transplanting of early rice seedlings and the planting of other spring crops.

Vice Chairman Cheng Kejie said: Our region's spring production this year has experienced low temperatures and overcast and rainy weather over a long period of time, thus bringing about very unfavorable effects on spring sowing and the growth of spring-sown crops. There are relatively serious cases in which early rice seedlings rotted and the seedlings of some other crops died. Some areas have been suffering drought in varying degrees and some areas do not have water for their rice fields. Due to the expansion of the total acreage under cash crops our region may fail to fulfill this year's plan for planting over 52 million mu of grain crops. Without adopting measures it will be very difficult for us to fulfill this year's plan for increasing grain output in our region.

For this reason Vice Chairman Cheng Kejie stressed: In the next 15 days leaders at all levels must concentrate their energies on promoting the speedy transplanting of early rice seedlings and the sowing of other crops. [passage omitted]

**Hainan To Form Own Administrative System Soon**  
OW2904020988 Beijing XINHUA in English  
1607 GMT 28 Apr 88

[Text] Haikou, April 28 (XINHUA) — Hainan, China's newest province, will form its own administrative system within one month, according to a senior Hainan official.

As approved by the State Council, the Hainan provincial government will have 26 departments and bureaus, much smaller than any other provincial governments in the country, said Liang Xiang, deputy secretary of the Hainan Provincial Work Committee of the Chinese Communist Party.

Meanwhile, several large-scale company groups such as a petro-chemical corporation and an international trust and investment corporation will be set up, he said.

As the government becomes smaller, some government functionaries will be transferred to enterprises or non-government institutions, he said.

Reshuffling of city and county governments will be carried out after the provincial government is formed.

**Hubei People's Congress Opens 28 Apr**  
HK2904014788 Wuhan Hubei Provincial Service  
in Mandarin 1130 GMT 28 Apr 88

[Excerpts] The First Session of the Seventh Hubei Provincial People's Congress solemnly opened this morning in the Hongshan Hall in Wuchang. [passage omitted]

Governor Guo Zhenqian delivered a report on the work of the government, in the following three parts: 1) the major progress made in Hubei's reforms and construction in the past 5 years; 2) in the next 5 years we must lay a sound foundation for rising abruptly in central China; 3) uphold the guideline of stabilizing the economy and deepening reforms, and do a thoroughly good job of all work in 1988.

On work in 1988, Guo Zhenqian focused on reporting to the deputies the arrangements for economic structural reform and economic work this year: Strive to develop production, improve supplies, and ensure the steady growth of the economy; deepen enterprise reforms in accordance with the principle of forming a complete set of reforms and perfecting, deepening, and developing them, and institute the contract system in production operations; strictly implement the price policy, tangibly strengthen management and supervision, and reverse the abnormal situation of excessively rapid rises in the general price level; resolutely implement the policy of tightening the belt and make proper arrangements for financial, credit, and loan work. [passage omitted]

Among those present at the opening ceremony were leading comrades of the provincial party committee, Advisory Commission, government, CPPCC, and Military District including Guan Guangfu, Zhao Fulin, Qian Yunlu, Xu Daoqi, Li Erzong, Chen Ming, and Li Wei. [passage omitted]

In his report, Guo Zhenqian summed up the major progress made by the province in reforms and construction in the past 5 years, pointed to the existing problems in reforms, economic construction, and economic life, and explicitly set the goals, guidelines, and tasks for future reforms and construction. [passage omitted]

He said: In the past 5 years, the province's industrial and agricultural output value has risen at an average annual rate of 13.1 percent, while gross domestic product has increased at an average annual rate of 10.7 percent, and financial revenue, calculated according to comparable headings, has risen at an average annual rate of 9.8 percent. The major proportional relationships of the national economy have been better coordinated, enterprise economic returns have gradually improved, and living standards have risen each year. After deducting for the price increase factor, the average disposable earnings



of urban residents and the average income of the peasants in 1987 showed respective increases of 32.9 percent and 27 percent over 1982. Macroeconomic controls have been strengthened, and certain factors for instability that have long existed in economic life have started to ease.

On the current problems, Guo Zhenqian said: Our minds have not been sufficiently emancipated regarding the reforms. Certain matching reform measures have not kept up with requirements. Our consciousness of opening up to the world is not strong enough. The agricultural foundation in economic construction is not firm enough, the area of farmland has been reduced too much, and soil fertility has deteriorated everywhere. Grain and cotton production has stagnated in a few places.

The pace of technological advance in industry is not fast enough, there are few spearhead products, enterprise management is backward, and economic returns are not good enough.

The mountain areas are still relatively backward, and the masses' food and clothing problem has not been completely resolved there.

A current conspicuous problem in economic life is the excessive price increases, especially for non-staple food. The prices of agricultural production materials have increased too much.

In the building of the government itself, bureaucratism remains very serious in some departments, and practices of extravagance, ostentatiousness, and waste continue despite repeated prohibitions. A few cadres abuse their powers and have even become corrupt and rotten. Guo Zhenqian sincerely hoped that the deputies will put forward criticisms and suggestions on government work and help and supervise the government in improving work style and work.

Guo Zhenqian said: The Eighth Enlarged Plenary Session of the Fourth Hubei Provincial CPC Committee, convened last December, put forward the general strategic idea of striving to make Hubei rise abruptly in central China and the strategic plan of advancing in two stages in the next 13 years. In the first stage, we will spend the next few years in continuing to strengthen basic work and achieve overall improvement of quality. In the second stage, we will spend a further few years in further invigorating the province's economy and striving to achieve the second doubling of gross domestic product ahead of schedule and the attainment of a comfortably well-off living standard.

This general strategic idea accords with the province's reality. In the next 5 years, we must follow the line of the 13th National Party Congress, implement the guidelines of the First Session of the Seventh NPC, and persistently build the two civilizations simultaneously in light of the province's weak links. We should do a good job in basic work by consolidating the agricultural foundation and

stepping up the building of primary industries and the infrastructure, improving the quality of [words indistinct], speeding up opening up to the world, promoting the advance of science and technology, vigorously training talented people, and so on, so as to create conditions and lay the foundation for further invigorating the province's economy and strive to make Hubei rise abruptly in central China.

### Southwest Region

**Sichuan's Yang Rudai Discusses Party Building**  
*HK2904032588 Chengdu Sichuan Provincial Service in Mandarin 0200 GMT 29 Apr 88*

[Text] The fifth and final part of Comrade Yang Rudai's report to the fifth provincial party congress was entitled "Strengthen the Building of the Party Amid Reform and Opening Up, and Insist on Governing the Party With Strictness.

Yang Rudai said: Strengthening the building of the party amid reforms and opening up and insisting on governing the party with strictness is the fundamental guarantee for building an affluent, democratic, and civilized Sichuan. The 13th National Party Congress pointed out that in all the party's work in the new period, it is essential to ensure the implementation of the party's basic line. It is also necessary to carry out reforms in the building of the party itself, to suit the new situation of reforms and opening up. The party organizations at all levels throughout the province must resolutely implement this fundamental guiding idea and tangibly strengthen the party's building in ideology, organization, work style, and system, to enable our party to truly withstand the tests of holding power and of reform and opening up and to lead the people of Sichuan to clear the way to forge ahead.

The core task in ideological building is to apply the party's basic line to unify the understanding and actions of the whole body of party members, especially the leading cadres. This is the key to carrying out ideological education for the party members and improving their quality at present and for a time to come. We should take the 13th National Party Congress report as the basic educational material, and in connection study Comrade Deng Xiaoping's series of expositions and the principles and policies since the 3d Plenary Session of the 11th CPC Central Committee, to enable party members to profoundly understand the theory on the initial stage of socialism, enhance awareness and firmness in carrying out the party's basic line, and reach the goal of further emancipating the mind and further liberating the productive forces.

In conducting education, it is essential to stress practical results, introduce new methods, and guard against formalism. We must apply a variety of effective forms to step up regular studies and concentrated training for the cadres and party members. We should adhere to the system by which the county party committee secretaries

and county governors undergo brief training at the provincial level each year and by which grass-roots cadres attend training by rotation, separated from production.

With regard to party members who are workers, peasants, students, and intellectuals, we should set different demands in light of their different characteristics and conduct education for them in a planned way, to ensure that they will undergo tests and play their role in the practice of reforms, opening up, and the modernization drive.

We must apply the spirit of the basic line to guide the building of the cadre force and the leadership groups, and implement still more effectively the principle of four transformations of the cadre force. We should appoint to important posts cadres who have both ability and political integrity and who are just and fair in their dealings and loyal to the party's line, and who are also able to implement this line in a creative fashion.

We should look at the realities in upholding the four cardinal principles and persistently carrying out reforms and opening up, and apply these realities as the criterion in evaluating the cadres. We must boldly employ those cadres who have made practical contributions to reforms, opening up, and modernization, and who are acknowledged and trusted by the masses. Under the premise of revolutionization, we should gradually achieve lowering of average age, better standards of education, and better professional competence among the cadres.

Lowering the average age of the leading cadres is a long-term strategic task. This is a basic demand for maintaining and strengthening the vitality of the party and state organs at all levels.

Party committees at all levels must vigorously strengthen the building of the party's grass-roots organizations and focus party building on the grass roots. It is essential to attach ideological importance to this work, firm up organizational measures, improve methods and measures, and strengthen the management of party members. In particular, it is essential to do a good job in building the leadership groups of the party branches. Some 63 percent of Sichuan's party members are in the rural areas. Doing a good job in building the grass-roots rural party organizations is of great importance. The county party committees bear direct responsibility for this work. They must seriously sum up and popularize experiences in this work, and educate and guide the party members to take the lead in developing commodity economy, to lead the masses to get rich through hard work and attain common prosperity, and to take the lead in building spiritual civilization, so as to ensure the implementation of the party's basic line in the rural areas.

Party organizations in the enterprises must focus on resolving the problems of changing their functions and doing a good job in building themselves. It is necessary to do a good job of party work in the organs, strengthen the building of grass-roots party organizations in urban neighborhoods and in all trades and sectors, and improve activity forms and work methods. We should ensure that every party member can be managed and supervised by his party organization and also receive its help and care.

In the building of systems, the first thing is to put the party's collective leadership system on a sound basis and uphold the party's democratic centralism. The central authorities have set an example for us in this respect. Since the 13th National Party Congress, the provincial party committee and Discipline Inspection Commission, and the city and prefectural party committees have established a number of necessary systems. Party organizations at all levels must correspondingly set up and perfect the relevant rules of procedure, voting system, and democratic life meeting system. The standing committees of party committees at and above county-level should appropriately increase the frequency of meetings for discussing major party issues, to give better scope to the role of collective policymaking. The grass-roots party committees should also regularly report on their work to assemblies or representative conferences of party members. Major issues must be discussed collectively, and decisions on them must be made in accordance with the principle that the minority must be subordinate to the majority.

We must reform and perfect the party's election system. The party committees at all levels must hold party congresses or assemblies of party members for the purpose of holding leadership elections. The party members must exercise their democratic rights in a correct and cautious way. We must also do a good job in building other systems in the party.

The question of party style in the ruling party is an issue related to the life or death of the party. We must integrate speeding up reforms with building up systems and governing the party with strictness, and embark on a new path in improving party style. Since the 3d Plenary Session of the 11th CPC Central Committee, the party has revived its three great work styles and achieved new development in many respects. The party organizations at all levels, the party members, and the party-member cadres throughout the province have displayed very great spirit of doing a solid job and great creativity in following the party's correct line and policies and actively and loyally serving the people. This shows that our party style is predominantly and basically good, and that the party organizations and members are capable of withstanding the tests of holding power and of reform and opening up and have the strength to wage struggle against all kinds of negative and rotten phenomena.



At the same time, we must also realize that unhealthy trends are still rather serious in the party in certain respects.

We must carry out a thorough analysis of the characteristics and laws regarding the work of improving party style in conditions of reform and opening up. We cannot apply the outdated and old methods of the past to resolve the new problems. We must work hard to tackle things from the roots and seriously resolve the problems in the following respects:

1. Correctly understand and handle the relationship between improving party style and reforms and opening up, to ensure that the work of improving party style will serve the implementation of the party's basic line. We must realize that reforms and opening up have injected new vitality into the body of the party, and that in the final analysis this can strengthen our ability to resist corruption. However, certain problems will inevitably arise in reforms and opening up. We cannot get away from reforms and opening up in correctly understanding and resolving problems in party style.
2. We must follow a new path of relying on reforms and the building of systems, and strive to reduce the soil and conditions that generate unhealthy trends.
3. We must strictly enforce party discipline and insist on governing the party with strictness. Party discipline is the guarantee for implementing the party's line. The party organizations at all levels must resolutely act according to the party's Constitution, systems, and discipline, promote what is upright and get rid of what is crooked, resolutely expose rottenness within the party, and purge rotten elements. We must enhance the combat ability of the party organizations and members to wage struggle against unhealthy trends and evil practices.
4. We must strengthen leadership and insist on having the whole party work to improve party style and to tackle the problems in a comprehensive fashion.

### North Region

**Li Ruihan Reelected Tianjin CPC Secretary**  
*OW2804124788 Beijing XINHUA in English*  
1159 GMT 28 Apr 88

[Text] Tianjin, April 28 (XINHUA)—Li Ruihan, known as a man of action, was re-elected secretary of the Tianjin Municipal Committee of the Chinese Communist Party (CPC) at the first meeting of its Fifth Committee which opened today.

Li Ruihan became the secretary of the previous municipal party committee in August 1987 when he succeeded Ni Zhifu. Late last year, he was elected member of the Political Bureau of the 13th CPC Central Committee.

Li Ruihan first became nationally known 24 years ago when as a young carpenter he figured out a simple, scientific method of calculating the enlargement of wooden carpentry models.

He later enrolled in and graduated from Beijing Institute of Architectural Engineering.

### Northwest Region

**Development of Gansu Port Reported**  
*HK2804152488 Lanzhou Gansu Provincial Service*  
in Mandarin 2300 GMT 25 Apr 88

[Text] Lianyungang Port, one of China's eight major seaports, has been rising on the eastern tip of the Lanzhou-Qinghai railway. It will become a window on the development of an export-oriented economy and opening up in 11 provinces and regions along the Lanzhou-Qinghai railway line.

According to our reporters (Luo Zhujian) and (Chu Zhuming), who covered the press briefing held at Lianyungang Port, our province's commodities exported or transported through Lianyungang Port last year increased by over 500 percent as compared to 1986. Of the province's commodities exported through Lianyungang Port, there were more than 30,000 tons of raw coal. Our province has invested in a Lianyungang Port project to build a deepwater berth, which will be of 10,000-ton class. Construction of the berth has already started.

In the 1970s, Lianyungang Port was just a small port with medium-sized berths ranging from 3,000-ton class to 5,000-ton class. Large-scale construction projects in Lianyungang Port started in 1973, thus greatly changing the face of the port.

At present, the overall length of the port's wharf coastline (ma tou an xian) is 2,758 meters, an increase of 600 percent as compared to 1973. The port has a total of 15 production (sheng chan) berths, 11 of which are of the 10,000-ton class. The port can handle up to 20 million tons of cargo a year.

Lianyungang Port has established commodity exchanges and trading relations with 173 ports in more than 70 countries and regions.

Following the implementation of the strategy for economic development of the coastal areas, the (southern) Gansu economic belt, with the Gansu-Qinghai railway and the Lanzhou-Xinjiang railway as its links, and together with the large and medium-sized cities along the two railway lines as its key members, has entered the golden stage for joint development.

As far as the development of export-oriented economy in our province is concerned, Lianyungang Port should be regarded as an economic and convenient seaport with

great potentials of development. For this reason, in the autumn of 1985, our province and the Jiangsu provincial Communications Department reached an agreement on jointly raising funds to promote the port construction work. This year our province will make an investment of 3 million yuan in the port construction work.

During their visit to the Lianyungang Port's (Qigou) wharf construction site, our station reporters saw that the (?Paotian) project to build a deepwater berth for our province was in full swing.

In his interview with our station reporters, (Jing Liu), deputy director of the Lianyungang Port Office, said: According to the plans, construction of the (Qigou) wharf will be completed and put into operation by 1992. By then, Gansu Province, which is situated in the hinterland, will have its own seaport wharf.

**Shaanxi Party Congress Opens 29 April**  
*HK2904051588 Xian Shaanxi Provincial Service  
in Mandarin 0400 GMT 29 Apr 88*

[Excerpts] The seventh Shaanxi provincial party congress opened in Xian this morning. Comrade Hou Zongbin presided. Comrade Zhang Boxing delivered a report on behalf of the Sixth Shaanxi Provincial CPC Committee, entitled "Further Emancipate the Mind, Be Bold in Reform and Opening Up, and Strive To Speed Up the Pace of Socialist Modernization in Shaanxi." The report was in six parts: 1) the achievements in reform and opening up, and the future tasks; 2) proceeding from reality, seize the favorable opportunity to implement the economic development strategy; 3) speed up and deepen economic structural reforms and spur the development of commodity economy; 4) deepen the rural reforms and spur the development of rural commodity economy; 5) promote political structural reform in a measured way and establish an effective and lively leadership system; 6) strengthen the party's building and improve its leadership standard. [passage omitted]

Zhang Boxing said: During the 5 years since the sixth provincial party congress, the province's industrial and agricultural production has registered sustained development, and the strategic goal of doubling was achieved 3 years ahead of schedule. The maximum annual grain output was 10.2 billion kg, and output has been steady at over 950 million kg for 5 successive years. Industrial and agricultural output value in 1987 was 31.41 billion yuan, double that of 1980. [passage omitted]

Party building in the province has been further strengthened amid reforms and opening up. The 3 and 1/2-year party rectification work basically fulfilled its task by strengthening the body of the party. A number of experiences were accumulated in correctly handling contradictions and problems in the party. During the past 5 years, positive results have been gained in the party's building in ideology, work style, and organization. We have seriously conducted education in the line of the 3d Plenary Session of the 11th CPC Central Committee, worked ceaselessly to correct unhealthy trends, and investigated and dealt with a number of serious cases of abuse of powers and violations of law and discipline. Over 210,000 new party members have been recruited during the past 5 years. [passage omitted]

Zhang Boxing said: It should be fully affirmed that we have scored very great success. There have also been certain mistakes in our work, and we are facing many difficulties. The outstanding ones are: Economic development is not good enough, and we have dropped in the national table in many economic indices; there are still factors for instability in economic life; new stagnation has emerged in grain production; the problem of poor economic returns in industry has not changed to any great extent; prices have risen too much, affecting the improvement of living standards, and the living standards of some people have declined; bureaucratism and the mandarin style of work exist in varying degrees in the leading departments; buck-passing, delays, and poor efficiency are more or less universal; certain leading comrades are still submerged in piles of documents, endless meetings, and irritating routine affairs, and do not carry out enough investigation, study, and handling of major affairs; measures for party building have not been effective enough, and the fighting force role of the party organizations and the vanguard and model role of the party members have not been displayed well in some places and among some party members; the problem of abuse of power and violations of law and discipline is serious among a few party-member cadres, and this has a bad effect among the masses; many systems are not yet on a sound basis, and management and supervision in various fields cannot keep up with the requirements of the situation; social order remains unstable, and the masses greatly object to this; in particular, the minds of many leading cadres have not been emancipated enough, they do not do enough in clearing the way to forge ahead and create new things, and they fail to advance rapidly in reform and opening up.

We must attach great importance to these problems, treat them seriously, and take tangible steps to resolve them.

**Taiwanese Navy Fires on Fujian Fishermen**  
HK2904102888 Beijing ZHONGGUO XINWEN SHE  
in Chinese 0909 GMT 29 Apr 88

[Report: "Taiwan Naval Vessels Open Fire on Fishermen From Pingtan, Fujian"]

[Text] Fuzhou, 29 Apr (ZHONGGUO XINWEN SHE)—The "Fujian Pingyu No 2223" boat from Baiqing Village, Pingtan County, Fujian, was carrying goods to Taiwan in connection with trading from 12 to 15 April. When it was sailing back on the 16th, it was pursued by three patrol vessels of the Taiwanese Navy north of Keelung. The latter opened fire from 200 meters away,

hitting three members of the crew. Crewman Xu Guibing was hit in the left hand, causing a fracture and smashed bones. Crewman You Gefu was also injured in the left hand by a bullet.

The boat "Fujian Pingyu No 1270" from Liushui Village, Pingtan started sailing to Taiwan on 14 April in connection with trading. On its way back, on the 17th at 2000, it was pursued by two Taiwanese Navy warships. Crewman Zhou Erli was wounded by bullets in the left leg and the right hand. Crewman Zhou Bingyi was injured in the left hand.

At present, five injured people are receiving treatment in the Pingtan Hospital.



**U.S. Demand To Renew Rice Accord Rejected**  
*OW2904043588 Taipei CNA in English 1430 GMT  
26 Apr 88*

[Text] Taipei, April 26 (CNA) — The government of the Republic of China [ROC] has rejected a U.S. demand that it renew the current rice agreement limiting ROC rice export after the accord expires in late 1988, a ranking Ministry of Economic Affairs official said Tuesday.

"The nation, however, will further open its market to American industrial products," said Wang Chien-shien, vice economics minister and concurrently chief of the ROC delegation to the ROC-U.S. trade consultations.

The ROC has to protect its farmers, as the other countries in the world including the United States do because farmers are the most exposed and defenseless, Wang said.

The U.S. subsidized every metric ton of rice U.S. dollars 245.96 in 1986, yet the ROC subsidized every metric ton only U.S. dollars 153. Citing the difference, Wang said the ROC will never renew the "unfair treaty."

**Hunger-Striking Opposition Leader Said Dying**  
*HK2904084888 Hong Kong AFP in English  
0801 GMT 29 Apr 88*

[Text] Taipei, April 29 (AFP)—The Taiwan Association for Human Rights Friday asked the authorities to grant parole immediately to hunger-striking jailed opposition leader Shih Ming-teh, saying he was dying.

Mr. Shih, 46, had been suffering serious heart, lung, liver, kidney and spine ailments and more than a year of hunger strike had worsened the condition, Association Director Chen Chu told AGENCE FRANCE PRESSE.

Mr. Shih had even been refusing force-feeding, the only way to keep him alive, at the Tri-Service Military General Hospital since Friday, she added.

Miss Chen asked military authorities to release Mr. Shih on parole to seek medical care arranged by his family since he had rejected all medical treatment in detention.

The political activist was jailed for life in 1980 for instigating riots in the southern port city of Kaohsiung. Some 140 policemen were injured in the riots, known as the Formosa Incident.

Some 6,000 prisoners including 19 inmates convicted of sedition were freed Friday under a clemency move which also reduced Mr. Shih's prison term to 15 years.

Seven other opposition leaders convicted of sedition for their involvement in the Formosa Incident had been paroled earlier.

**Premier on Strengthening Ties With Europe**  
*OW2904061088 Taipei CNA in English 0235 GMT  
29 Apr 88*

[Text] Taipei, April 29 (CNA) — The Republic of China [ROC] will further strengthen its economic and trade relations with Europe in order to lessen the nations dependence on U.S. markets, Premier Yu Kuo-hua said Thursday.

The premier spoke while receiving Jean-Luc Lagadere, chairman of the Matra industrial group of France, at the Executive Yuan.

During their meeting, Yu and Lagadere exchanged opinions on ways to promote high-tech and trade exchange between the two countries.

The Matra group, with more than 26,000 employees, is one of the world's leading producers of armaments and telecommunications equipment. The group also includes such high-tech industries as space, mass rapid transit systems and computers.

Informed sources said the Matra group played an important role in ROC Vice Premier Lien Chan's visit to France late last year. Lien's visit, at the invitation of the French senate president, was helpful in improving substantive relations between the two countries, they said.

**Vice Minister on Trade With Mainland**  
*OW2804155788 Taipei International Service  
in English 0200 GMT 28 Apr 88*

[Text] Vice Economic Minister Li Mo again stressed on Tuesday in discussing trade with the mainland that the government has to first consider what is good for the ROC [Republic of China]. If the interests of the nation are not endangered and local citizens choose to conduct business activities with the mainland, the government will not interfere.

He made the remarks in response to queries from lawmaker Liu Hsin-shan during a session of the law-making Legislative Yuan.

The legislator pointed out that the ROC is becoming less competitive in certain areas because of restrictions against using mainland raw materials. Legislator Liu also said that due to this, many companies have already invested in the mainland and asked the government to review its current policies.



The vice economic minister responded that direct trade with the mainland and importing of its raw materials will seriously affect the safety of the nation, that the government will not consider revising its policies at the moment.

**New Rules on Appointing Taiwan Governor**  
*OW2904060288 Taipei CNA in English 0247 GMT*  
29 Apr 88

[Text] Taipei, April 29 (CNA) — The cabinet of the Republic of China endorsed Thursday a draft of the organic regulations of the Taiwan Provincial Government effective during the period of communist rebellion.

According to the regulations, appointment of the Taiwan governor, to be nominated by the Premier and approved by the cabinet meeting, should also be endorsed by the Taiwan Provincial Assembly.

The regulations also require that the Taiwan Provincial Council should have 19 to 25 members to be nominated by the premier and approved by the cabinet meeting and that the council meetings should be chaired by the Taiwan governor.

The regulations will become effective soon after being approved by the Legislative Yuan.

**Country Strives To Become Asian Financial Center**  
*OW2904055788 Taipei CNA in English 0241 GMT*  
29 Apr 88

[Text] Taipei, April 29 (CNA) — The government will strengthen local financial and monetary activities by gradually revising relevant laws so the Republic of China [ROC] can become an international Asian financial and monetary center, the Executive Yuan said Thursday.

In a written reply to a query from Legislator Hung Chao-nan, the cabinet said that financial and monetary internationalization is the ROC's established policy and that the government has already revised a number of relevant laws.

At present, 16 banking institutions, with accumulated assets totaling U.S.\$11.2 billion have been established to conduct international financial and monetary operations. This indicates that the business is growing smoothly, the cabinet said.

The ROC's financial and monetary liberalization has not only attracted the participation of international financial and monetary circles but also increased their confidence and interests toward the Republic of China's financial and monetary market, the cabinet pointed out.

In spite of limitations in the current situation, the government is confident it will be able to promote the nation's financial internationalization so as to make Taipei an important regional international financial center, the cabinet added.

## Hong Kong

### Basic Law Drafting Committee Holds Session

#### Ji Pengfei Speaks

OW2804150788 Beijing XINHUA Domestic Service  
in Chinese 1043 GMT 26 Apr 88

[Text] Beijing, 26 Apr (XINHUA)—The seventh plenary session of the Committee for Drafting the Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China was held in the Great Hall of the People this morning.

The major items on the agenda were discussions and decisions on the draft to be promulgated for soliciting people's opinions on the Basic Law, and to study and approve measures for soliciting people's opinions in Hong Kong and in the hinterland.

Ji Pengfei, chairman of the Committee for Drafting the Basic Law, presided over today's meeting and spoke. He said: It has been 2 years and 10 months since the establishment of the Committee for Drafting the Basic Law. We have made great progress in our drafting work in accordance with the plan and measures adopted by the first plenary session. Those of you who are present here have made strenuous efforts for the past 3 years for the birth of the Basic Law for the Hong Kong Special Administrative Region, which has attracted worldwide attention. All of you have worked together with one heart and have spared no effort in going over the draft Basic Law again and again. After a total of 57 meetings held by the five panel groups, the draft articles and clauses in every chapter of the Basic Law were finally hammered out. The Draft for Soliciting People's Opinions on the Basic Law (Draft) lying in front of us is a product of efforts by the Overall Work Group after the sixth plenary session held in December 1987.

Ji Pengfei said: This draft for soliciting people's opinions on the Basic Law (Draft) is a gratifying, initial achievement of our collective efforts. Precisely because it is in the initial stage, it remains to be perfected. Some issues have more than one program for them at the same time. We should comprehensively consult the opinions of all and sundry to reach a common understanding and to further improve the relevant articles.

Ji Pengfei emphasized that, as the work of the Drafting Committee progressed, the Hong Kong Basic Law Consultative Committee was consistent in rendering sincere and effective assistance. For over 2 years, the Consultative Committee has provided us with various research reports and conveyed a great many opinions and suggestions. Many of them have already been adopted. We hope to continue and further expand this kind of harmonious cooperation and linkup in the future. Moreover, we hope the Consultative Committee will fully support and assist us when we begin the next stage of our work, which is to solicit people's opinions.

In conclusion, Ji Pengfei said: The broad masses of Chinese people, both at home and abroad, as well as our compatriots in Hong Kong and Macao, have warmly responded to the call for designs of a flag and emblem for the Hong Kong Special Administrative Region, which is a part of the drafting work for the Basic Law. He thanked the secretariats of the Appraisal and Selection Committee and the Consultative Committee for their contributions to the solicitation, appraisal, and selection of the designs of a regional flag and emblem.

This morning, T. K. Ann, vice chairman of the Committee for Drafting the Basic Law, introduced the work done by the Basic Law Consultative Committee in the past 6 months. Hu Sheng, responsible person of the Overall Work Group of the Committee for Drafting the Basic Law, presented the "Work Report of the Overall Work Group."

#### Wan Li Hosts Banquet

OW2804153688 Beijing XINHUA Domestic Service  
in Chinese 1317 GMT 27 Apr 88

[Text] Beijing, 27 Apr (XINHUA)—Wan Li, chairman of the NPC Standing Committee, hosted a banquet at the Great Hall of the People this evening in honor of all members of the Hong Kong Special Administrative Zone's Basic Law Drafting Committee who were attending the seventh plenary session of the committee.

Among those present at the banquet were An Ziwen, Xu Jiatur, Hu Sheng, Fei Xiaotong, Wang Haibin, and Li Guobao, vice chairmen of the Basic Law Drafting Committee.

#### Proceedings Conclude

OW2904135588 Beijing XINHUA Domestic Service  
in Chinese 2217 GMT 28 Apr 88

[Text] Beijing, 28 Apr (XINHUA)—The seventh plenary session of the Committee for Drafting the Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China ended in the Great Hall of the People this afternoon.

The participants decided to release the Basic Law for the Hong Kong Special Administrative Region of the People's Republic of China (Draft). They also adopted a resolution on making public the draft Basic Law and on launching activities to solicit public opinion, and approved the procedures for soliciting public opinion on the Basic Law (Draft).

The afternoon session was presided over by An Zijie, vice chairman of the drafting committee. Ji Pengfei, chairman of the drafting committee, delivered the closing speech. He said that in the past 3 days members of the committee earnestly and enthusiastically discussed

the two major topics of the meeting and put forward many good suggestions. He said that the meeting fulfilled its anticipated tasks thanks to the common effort of all committee members.

Ji Pengfei said: At yesterday's chairmanship meeting, the activities of the work group in charge of overall work were discussed. The participants held that a work group had to be formed to adjust and revise the various chapters and articles of the Basic Law.

Ji Pengfei said: After this meeting, we will launch widespread activities to solicit opinions on the Basic Law (Draft). He said that we cordially welcome people of all walks of life to make suggestions for revising the Basic Law (Draft). The drafting committee has asked the Hong Kong Basic Law Consultative Committee to take care of the work of soliciting opinions on the Basic Law (Draft) in Hong Kong. The consultative committee is the principal channel for launching consultative work in Hong Kong; however, other channels will not be excluded from playing an active role in consultative work. At the invitation of the Hong Kong Basic Law Consultative Committee, some members of the drafting committee on the mainland will go to Hong Kong group by group this year to extensively meet with people of all social strata so as to open a dialogue with them and listen to their opinions.

Ji Pengfei believed that by pooling the wisdom of the masses, we will definitely be able to formulate a Basic Law of the Hong Kong Special Administrative Region which fully reflects the principle of "one country, two systems," proceeds from the actual situation in Hong Kong, and takes into account the interests and aspirations of the people of all strata in Hong Kong.

The plenary meeting decided to hold the eighth plenary meeting of the Committee for Drafting the Basic Law in Guangzhou from 9 to 15 January 1989. The main agenda of the meeting is to discuss and examine the draft Basic Law as revised after soliciting opinions from all quarters.

At the plenary session this afternoon, members Huang Lisong, Situ Hua, Tan Huizhu, Li Fushan, Liao Yaozhu, Zou Weiyong, Li Zhuming, Huang Baixin, and Xiao Weiyun spoke on separate occasions.

#### **Draft Law Released**

OW2904013488 Beijing XINHUA Domestic Service  
in Chinese 2228 GMT 28 Apr 88

[Text] Beijing, 28 Apr (XINHUA) — Communique of the seventh plenary meeting of the Committee for Drafting the Basic Law of the PRC Hong Kong Special Administrative Region:

(28 April 1988)

The Committee for Drafting the Basic Law of the PRC Hong Kong Special Administrative Region held its seventh plenary meeting in Beijing from 26 to 28 April 1988. Fifty-three members of the committee attended the meeting, with five absent because of sickness or private affairs.

The plenary meeting heard a report by Hu Chun, vice chairman of the committee, on the work of the committee's general work section and a briefing by An Zijie, another vice chairman, on the work of the Hong Kong Basic Law Consultative Committee over the past 6 months or so. Committee members discussed "the Basic Law (Draft) of the Hong Kong Special Administrative Region for Soliciting Opinion" and the measures for soliciting such opinions. The meeting adopted a decision of the Basic Law Drafting Committee on publishing "the Basic Law (Draft) of the Hong Kong Special Administrative Region for Soliciting Opinions" and on starting doing so as well as the measures for soliciting such opinions.

The meeting held: Publishing "the Basic Law (Draft) of the Hong Kong Special Administrative Region For Soliciting Opinions" is an important link in the work of drafting the basic law. The Basic Law Drafting Committee sincerely welcomes opinions and suggestions on "the Basic Law (Draft) of the Hong Kong Special Administrative Region" from various quarters, especially from personages of various circles in Hong Kong.

The meeting instructed the secretariat of the Basic Law Drafting Committee to sort out opinions and suggestions put forward by various quarters following the end of opinion soliciting and to refer them to special-topic sections and the general work section for study in order to further revise articles of the basic law (draft).

The meeting decided that the eighth plenary meeting of the Basic Law Drafting Committee would be held in Guangzhou from 9 to 15 January 1989. The main item on its agenda will be discussing the basic law (draft) which will have been revised on the basis of solicited opinions.

#### **XINHUA Highlights Terms of Draft Basic Law**

##### **Financial Status Retained**

OW2804200888 Beijing XINHUA in English  
1915 GMT 28 Apr 88

[Text] Beijing, April 28 (XINHUA)—The projected Hong Kong Special Administrative Region (HKSAR) will keep its financial independence and its status as international monetary center.

The draft Basic Law of the HKSAR for soliciting opinions published today stipulates that the HKSAR shall use its financial revenues exclusively for its own purposes and they shall not be handed over to the central people's government. The HKSAR shall practise an



independent taxation system and shall continue to practise a low tax policy. The central people's government shall not levy taxes in the HKSAR.

The HKSAR government will provide conditions and take measures to continue to keep the international monetary center status of Hong Kong and continue to practise free and open monetary and financial policies. Markets for foreign exchange, gold, securities and futures shall continue. The Hong Kong dollar, as the legal tender in the HKSAR, shall continue to circulate and remain freely convertible.

The HKSAR shall continue the policy of free external trade. Investments from outside the region shall be protected by law. The HKSAR shall remain a free port and shall be a separate customs territory. It may, by using the name "Hong Kong, China", participate in relevant international organizations and international trade agreements, including preferential trade arrangements, such as the General Agreement on Tariffs and Trade and arrangements regarding international trade in textiles.

The draft law for soliciting opinions affirms that the government of the HKSAR shall adopt a free and open policy for industry and commerce and other trades. The HKSAR government may, on its own, formulate policies regarding the development, management and use of land. All leases of land granted, decided upon or renewed before the establishment of the HKSAR which extend beyond June 30, 1997, and all rights in relation to such leases, shall continue to be recognized and protected under the law of the region.

The HKSAR shall maintain its previous systems of shipping management and shipping regulation. The HKSAR shall be authorized by the central people's government to continue to maintain a shipping register and issue related certificates under its own legislation using the name "Hong Kong, China"

The HKSAR government shall create conditions and take measures for the maintenance of the status of the region as a center of international and regional aviation. Acting under specific authorizations from the central people's government, the government of the HKSAR may renew or amend air service agreements and arrangements previously in force, negotiate and conclude new air service agreements providing routes for airlines incorporated in the HKSAR.

#### **Autonomy Guaranteed**

OW2804185088 Beijing XINHUA in English  
1723 GMT 28 Apr 88

[Text] Beijing, April 28 (XINHUA)—The draft Basic Law of the Hong Kong Special Administrative Region (HKSAR) for solicitation of opinions released today

affirms that Hong Kong shall enjoy a high degree of autonomy after the Chinese Government resumes the exercise of sovereignty over Hong Kong after 1997.

The HKSAR shall enjoy executive, legislative and independent judicial power, including that of final adjudication.

Socialist system and policies shall not be practised in the HKSAR and the existing capitalist system and way of life shall not be changed for 50 years. The laws previously in force in Hong Kong shall be maintained, except for those that contravene the Basic Law or have been amended by the legislature of the HKSAR.

The HKSAR is a local administrative region of the People's Republic of China (PRC), enjoying a high degree of autonomy, and comes directly under the central people's government. The central people's government is responsible for the foreign affairs relating to the HKSAR and it authorizes the HKSAR to deal with relevant external affairs on its own in accordance with the Basic Law. The Ministry of Foreign Affairs of the PRC will establish an office in Hong Kong to deal with foreign affairs.

The central people's government is responsible for the defence of the HKSAR. Military forces sent by the central people's government to be stationed in Hong Kong for defence shall not interfere in the local affairs of the region. The government of the special administrative region may, in times of need, request the central people's government for assistance from the garrison in the maintenance of public order and disaster relief. Members of the garrison shall abide by nation-wide laws and the laws of the special administrative region. All expenses for the garrison shall be borne by the central people's government.

Laws, enacted by the National People's Congress or its standing committee, which relate to defence and foreign affairs as well as other laws which give expression to national unity and territorial integrity and which, in accordance with the provisions of the Basic Law, are outside the limits of the high degree of autonomy of the HKSAR, shall be applied locally by the government of the HKSAR by way of promulgation or legislation on the directives of the State Council, whenever there is the need to apply any of such laws in the region.

Except for the above-mentioned laws, laws enacted by the National People's Congress or its standing committee will not be applied in Hong Kong.

The HKSAR shall prohibit by law any act designed to undermine national unity or subvert the central people's government.



Departments under the central people's government as well as provinces, autonomous regions and municipalities directly under the central government shall not interfere in the affairs which the HKSAR administers on its own in accordance with the Basic Law.

#### **Rights, Duties Stipulated**

OW2804184388 Beijing XINHUA in English  
1732 GMT 28 Apr 88

[Text] Beijing, April 28 (XINHUA)—The draft Basic Law of the Hong Kong Special Administrative Region (HKSAR) for solicitation of opinions released today stipulates in detail the fundamental rights and duties of Hong Kong residents.

All Hong Kong residents shall be equal before the law, regardless of their nationality, race, ethnic origin, language, sex, occupation, religious belief, political views, educational level and property status.

Permanent residents of the HKSAR who have reached the age of 21 shall have the right to vote and the right to stand for election as prescribed by law.

Hong Kong residents shall have freedom of speech, of the press and of publication; freedom of association, to form and join trade unions, and to strike; and freedom of assembly and of demonstration.

Hong Kong residents shall have the freedom of movement within the HKSAR and the freedom of emigration to other countries and regions. Hong Kong residents who hold valid travel documents shall have the freedom to travel and the freedom of entry and exit and, unless restrained by law, shall be free to leave the HKSAR without special authorization.

Hong Kong residents and other persons in Hong Kong shall have the obligation to abide by the laws of the HKSAR.

#### **Policy Guidelines Detailed**

OW2804184288 Beijing XINHUA in English  
1747 GMT 28 Apr 88

[Text] Beijing, April 28 (XINHUA)—The projected government of the Hong Kong Special Administrative Region (HKSAR) shall, on its own, formulate policies on education, science, technology, culture, sports, social welfare and labor, according to the draft Basic Law of the HKSAR released here today.

The draft stipulates that educational institutions of all kinds in the region may retain their autonomy, enjoy academic freedom and continue to recruit staff and use teaching materials from outside the region.

The HKSAR shall protect achievements in scientific and technological research, patents, discoveries and inventions, as well as achievements and legitimate rights and interests of authors in their literary and artistic pursuits.

The region shall not interfere in the internal affairs of religious organizations and shall not restrict religious activities which do not contravene the laws of the region.

The religious organizations and believers in the region may maintain and develop their relations with religious organizations and believers elsewhere.

The relationship between non-governmental organizations in fields such as education, science, technology, culture, sports, the professions and social welfare as well as religious organizations in the region and their counterparts on the mainland shall be in conformity with the principles of non-subordination, non-interference and mutual respect.

Organizations in fields such as education, science, technology, culture, sports, health, the professions, labor, social welfare and religion in the region may maintain and develop relations with foreign countries and other regions and with relevant international organizations. They may, as required, use the name "Hong Kong, China" in the relevant activities.

#### **Foreign Affairs Regulated**

OW2804183288 Beijing XINHUA in English  
1736 GMT 28 Apr 88

[Text] Beijing, April 28 (XINHUA)—The Hong Kong Special Administrative Region (HKSAR) may, on its own, using the name "Hong Kong, China," maintain and develop relations and conclude and implement agreements with states, regions and relevant international organizations in the appropriate fields after 1997.

These include the economic, trade, financial and monetary, shipping, communications, tourism, cultural and sports fields.

This was stipulated in the draft Basic Law of the HKSAR for solicitation of opinions which was published here today.

The draft Basic Law stipulates that representatives of the government of the HKSAR may participate, as members of delegations of the Government of the People's Republic of China, in negotiations at the diplomatic level directly affecting the region conducted by the central people's government.

Representatives of the HKSAR may participate, as members of delegations of the Government of the People's Republic of China, in international organizations or conferences in appropriate fields limited to states and affecting the region, or may attend in such other capacity

as may be permitted by the central people's government and the international organization or conference concerned, and may express their views, using the name "Hong Kong, China."

The HKSAR may, using the name "Hong Kong, China," participate in international organizations and conferences not limited to states.

The central people's government shall take the necessary steps to ensure that the HKSAR shall continue to retain its status in an appropriate capacity in those international organizations of which the People's Republic of China is a member and in which Hong Kong participates in one capacity or another.

The central people's government shall, where necessary, facilitate the continued participation of the HKSAR in an appropriate capacity in those international organizations in which Hong Kong is a participant in one capacity or another, but of which the People's Republic of China is not a member.

The application to the HKSAR of international agreements to which the People's Republic of China is or becomes a party shall be decided by the central people's government, in accordance with the circumstances and needs of the region, and after seeking the views of the government of the region.

International agreements to which the People's Republic of China is not a party but which are implemented in Hong Kong may continue to be implemented in the HKSAR. The central people's government shall, as necessary, authorize or assist the government of the region to make appropriate arrangements for the application to the region of other relevant international agreements.

According to the draft Basic Law, the government of the HKSAR shall issue passports of the region to all Chinese nationals who hold permanent identity cards of the region, and travel documents of the HKSAR to all other persons lawfully residing in the region.

The government of the HKSAR may apply immigration controls on entry into, stay in and departure from the HKSAR by persons from foreign states and other regions.

The HKSAR may, as necessary, establish official or semi-official economic and trade missions in foreign countries and shall report the establishment of such missions to the central people's government for the record.

The establishment of foreign consular and other official or semi-official missions in the HKSAR requires the approval of the central people's government.

Consular and other official missions established in Hong Kong by states which have formal diplomatic relations with China may be maintained.

According to the circumstances of each case, consular and other official missions established in Hong Kong by states which have no formal diplomatic relations with China may either be permitted to remain or be changed to semi-official missions.

States not recognized by China can only establish non-governmental institutions in Hong Kong.

#### Political Structure Defined

OW2804182388 Beijing XINHUA in English  
1714 GMT 28 Apr 88

[Text] Beijing, April 28 (XINHUA)—The draft Basic Law of the projected Hong Kong Special Administrative Region (HKSAR) of China for soliciting opinions published today stipulates Hong Kong's political structure after 1997.

The provisions cover the chief executive, the executive authorities, the legislature, judicial organs, district organizations and public servants.

The chief executive of the HKSAR is the head of Hong Kong and shall be a Chinese national of no less than 40 years of age who is a permanent resident of the region and has ordinarily resided in Hong Kong for a continuous period of 20 years.

The chief executive shall be selected by election or through consultations held locally and be appointed by the central people's government. The term of office of the chief executive shall be five years. He/she may serve for no more than two terms.

The draft provides for the powers and functions of the chief executive, including leading the government of the region, being responsible for the implementation of the Basic Law and other laws which apply in the region, nominating and reporting to the central people's government for appointment principal officials of the region, and dealing with, on behalf of the regional government, external affairs and other affairs authorized by the central authorities.

The executive council of the region is an organ for assisting the chief executive in policy-making.

The government of the HKSAR is the executive authorities of the region and the chief executive is the head of the government of the region.

The prosecuting authority of the region shall institute criminal prosecutions independently, free from any interference.

The legislative council of the HKSAR is the legislature of the region, shall be constituted by a combination of direct and indirect elections. The term of office of the members of the legislative council shall be four years.

The courts of the region at various levels are the judicial organs of the region, exercising the judicial power of the region.

The court of final appeal, the high court, district courts, magistrates' courts and other special courts are established in the region.

The judicial system previously in practice in Hong Kong shall be maintained except for those changes consequent upon the establishment of the court of final appeal in the region.

With the assistance or authorization of the central people's government, the government of the region may make appropriate arrangements with foreign states for reciprocal judicial assistance.

District organizations which are not local organs of political power may be established in the HKSAR, to be consulted by the government of the region on district administration and other affairs, or to be responsible for providing services in such fields as culture, recreation and environmental sanitation.

Public servants serving in all government departments of the HKSAR must be permanent residents of the region. Public servants serving in all Hong Kong government departments, including the police department, before the establishment of the HKSAR, may all remain in employment.

The HKSAR may employ British and other foreign nationals previously serving in the public service in Hong Kong, or those holding permanent identity cards of the region to serve as public servants at certain levels.

**Five Months Given To Review Draft Basic Law**  
*OW2804134988 Beijing XINHUA in English*  
1317 GMT 28 Apr 88

[Text] Beijing, April 28 (XINHUA)—The Hong Kong Basic Law Drafting Committee decided today to give people in Hong Kong and on the mainland five months in which to voice their views on the Draft Basic Law.

The Draft Basic Law was published earlier this evening. The committee, which finished its seventh meeting today, will meet again in Guangzhou between January 9 and 15, 1989. It will then assess the public response to the Draft Basic Law and revise it accordingly.

The committee asked its support body in Hong Kong, the advisory committee, to solicit public opinion there. It was also decided that some of the committee members from Beijing will go to Hong Kong to hear local residents' views directly.

Opinions will also be solicited from members of the National People's Congress Standing Committee, members of the National Committee of the Chinese People's Political Consultative Conference, departments and institutions under the central authorities and some localities, democratic parties and people's organizations.

Committee Chairman Ji Pengfei said at the closing session that he felt confident that the Basic Law for Hong Kong will embody the "one country, two systems" principle and reflect Hong Kong residents' interests and desires.

In the evening, Ji hosted a dinner in honor of the members of the committee.

**Public, Private Sectors React to Draft Law**

**Government Welcomes Review**  
*OW2904020188 Beijing XINHUA in English*  
0044 GMT 29 Apr 88

[Text] Hong Kong, April 29 (XINHUA)—The Hong Kong community at large is encouraged to voice their views on the first draft on the Basic Law of the Hong Kong Special Administration Region of China which was released here Thursday.

The appeal was made at a press conference here yesterday by the Consultative Committee for the Basic Law.

Initially, 350,000 Chinese copies and 100,000 English copies of booklets will be issued in Hong Kong, the conference was told.

The "NEW EVENING POST" has published the full text of the draft Basic Law. Booklets will be available today at nearly 900 distribution points set up at banks, subway stations, book stores and other locations in Hong Kong.

During the following five months, individuals and organizations can submit their opinions either directly to the Consultative Committee or at special sessions and public seminars.

A local government spokesman was quoted as saying in a news release that "the Hong Kong Government particularly welcomes the opportunity that has been made available for Hong Kong people to study the draft Basic Law and put forward their views on it to the Basic Law Consultative Committee."



"For our part, we will study the draft closely in the light of the provisions of the Joint Declaration," he said, adding that "any comments which the British and Hong Kong Governments may have will be conveyed to the Chinese authorities."

The governor, David Wilson, said he welcomed the fact that there would be an extensive effort to consult and gather opinions from the people of Hong Kong on the first draft of the Basic Law.

"I hope that people here will study the draft very carefully because it affects very closely their own lives and their own futures, and that they will put forward their ideas to the Basic Law Consultative Committee," he said.

"The Hong Kong Government will be looking at the Basic Law itself," he added.

The five-month consultation will start with the promotion period in May, during which, newspapers, radio and TV stations will help publicize the law draft. Publicity materials, including pamphlets, exhibition panels and documentaries will also be available.

The consultation of the draft will be too complicated to be carried out in the form of opinion polls, said Lo Tak Shing, vice-chairman of the Basic Law Consultative Committee.

During the collation period in September and October, the Consultative Committee will compile the opinions collected into a report to be submitted to the drafting committee for reference.

#### Publication 'Significant'

HK2904105388 Beijing CHINA DAILY in English  
29 Apr 88 p 4

[By CHINA DAILY commentator]

[Text] The draft of the Basic Law of the Hong Kong Special Administrative Region for soliciting opinion is published today. This is a highly significant event.

What has emerged from 34 months of work by the 58 men and women of the drafting committee, set up in 1985 in accordance with the Sino-British Joint Declaration on the Issue of Hong Kong, is a detailed sketch of the law that will govern Hong Kong when China resumes sovereignty on July 1, 1997, 99 years after it was conceded to the British Empire in a humiliating treaty.

The draft will be discussed extensively by the public in Hong Kong and on the mainland for the next five months before it is further improved, by taking public opinion into consideration, and finally transformed into formal law.

Drafting any important legislation requires foresight and wisdom, but this is to be an unprecedented law aimed at providing a sound legal instrument for putting the unique concept of "one country, two systems" into practice.

If the Sino-British Joint Declaration has offered fresh experience of peacefully settling problems between states left over from history, as it surely has, the basic law is to provide the first example for the realization of peaceful reunification of divided nations with territories governed under different political systems.

The draft specifies in 172 articles the relationship between the central authorities and the Hong Kong Special Administrative Region, the basic rights and obligations of the region's residents, the region's political structure and economy as well as policy on education, science, technology, culture, sports and religion.

#### Regional Autonomy [subhead]

Most significantly, the draft emphasizes the spirit of "one country, two systems." While maintaining the totality of national sovereignty, it takes into full account the interests of more than five million people in the world's third largest financial centre by granting an unparalleled degree of regional autonomy, including independent legislative, administrative and judicial powers.

According to the specific situation in Hong Kong, the draft stipulates that the territory will not practise the socialist system. As for issues on which differences still remain among members of the drafting committee, it lists all the proposed alternatives for public discussion.

It should be pointed out that the public has shown keen interest in the drafting work since it started. The Basic Law Consultative Committee, composed of 180 Hong Kong members, has all along offered help by passing on valuable suggestions solicited from among Hong Kong residents to the committee.

Though it is ultimately up to the National People's Congress—China's highest organ of state power—to ratify the basic law, we are convinced five months of public discussion throughout the country, especially in Hong Kong, will prove vital to the creation of a resourceful and feasible piece of legislation that will guarantee Hong Kong's stability and prosperity in the years ahead.

#### Draft Criticized

HK2904094088 Hong Kong AFP in English  
0925 GMT 29 Apr 88

[By Claudia Mo]

[Text] Hong Kong, April 29 (AFP)—China's first draft of a mini-constitution for the Hong Kong it will take over in 1997 was criticised here Friday for giving too much power to Beijing and for being impractical.



Some China-watchers said the draft Basic Law would give Beijing too much power over Hong Kong after 1997 while some economists lashed out at what they called its "ludicrous" provisions for the territory's capitalist system. Legal experts also questioned its promise of an independent judiciary.

The 30,000-word draft Basic Law reaffirms the protection of basic human rights, an independent judiciary, and legislative and economic freedoms stipulated in the 1984 Sino-British Joint Declaration on Hong Kong. The declaration stated that the British colony would retain its capitalist life-style for 50 years after July 1, 1997 when it reverts to Chinese rule.

The draft ensures that Hong Kong will enjoy "a high degree of autonomy"—except in defence and foreign affairs—as a Special Administrative Region (SAR) of China under the "one country, two systems" concept.

The document leaves open the question of how much democracy the Hong Kong SAR will enjoy, presenting a number of options on how the first post-1997 government will be set up. The methods proposed are a mixture of official appointment and direct and indirect elections.

The draft states that China's State Council, the country's highest government body, will be able to impose mainland laws on Hong Kong and that China's parliament, the National People's Congress (NPC) will be responsible for interpreting and amending the Basic Law.

"This would give Beijing far too much power over Hong Kong when Hong Kong people are supposed to enjoy self-rule," said Lee Yee, editor of a local China-watching magazine, NINETIES MONTHLY.

"The promise of a high degree of autonomy will not be credible" unless the Beijing's powers over the SAR "are carefully circumscribed," said Dennis Chang, former chairman of the Hong Kong Bar Association.

Ho Chun-yan, chairman of local pressure group, the Hong Kong Affairs Society, said SAR courts might have to defer trials "for months and even years" pending interpretation of the law in Beijing. "The entire judiciary could be paralysed as a result," he said.

As regards Hong Kong's all-important economy, the draft says the future SAR government should abide by the principle of balanced budgets but at the same time adopt a low-tax policy.

Thomas Chan, an economist with the Asian Studies Centre at the University of Hong Kong, dismissed the provisions as "ludicrous." "How could you make such legal guidelines in a free-wheeling economy?" he asked.

The influential HONG KONG ECONOMIC JOURNAL also questioned how such constitutional requirements could be implemented "in times of economic depression when social welfare would obviously have to be sacrificed ... and social instability could be an eventuality."

Nearly three years in the making, the Basic Law draft was produced by a Beijing-appointed committee of 58 representatives from Hong Kong and China. A final draft is scheduled for promulgation in 1990 by the NPC.

China has said that it will weigh Hong Kong people's views on the complex draft, bearing in mind "quality and not quantity." Hong Kong's 5.5 million people have five months to make their opinions known.

Outspoken legislator Martin Lee, also a member of the drafting committee who has criticised the draft for failing to live up to the promise of "Hong Kong people to rule Hong Kong," urged China to commission professional public opinion polls here on the issue.

"To promulgate a Basic Law without popular support of Hong Kong people would be meaningless," Mr. Lee said.

The British and the Hong Kong Governments will study the draft and submit opinions, if necessary, to Beijing through diplomatic channels, a Hong Kong Government spokesman said Thursday.

**PRC Officials To Visit, Boost Economic Ties**  
HK2804090788 Hong Kong SOUTH CHINA  
MORNING POST in English 28 Apr 88 p 2

[By Chris Yeung]

[Text] Three delegations from China will visit Hong Kong next month in a bid to boost economic links with the territory.

Top officials from Guangdong, Hainan Island and Shenzhen will lead the teams to study Hong Kong's economy, transport and business sectors.

In return, the Governor, Sir David Wilson, plans to visit Fujian and Zhejiang provinces at the end of next month.

Economic co-operation will top the agenda of his talks with officials there.

A Chinese source said the increasing frequency in cross-border visits indicated the importance both sides attached to upgrading economic ties.

Led by the Planning Committee chairman, Mr He Xian, the Guangdong provincial delegation will arrive on Monday for a week-long visit to take a close look at the territory's economic development.

The visit is an offshoot of a meeting between Sir David Wilson and the Guangdong Governor, Mr Ye Xuanping, when Sir David was in China last December.

Sir David has underlined the significance of boosting local investment in the Pearl River Delta area which might help solve Hong Kong's labour shortage problem.

It is understood that the Guangdong delegation will be briefed by Hong Kong Government officials on the progress of large-scale projects.

These will include the second airport, container terminal and the highway linking the territory with the Guangzhou-Shenzhen-Zhuhai highway.

They will also visit factories to learn about the latest technological development here.

The second mainland delegation, led by the Hainan Island Governor, Mr Liang Xiang, will arrive in Hong Kong next Wednesday.

Mr Liang will brief local officials and businessmen on China's plan to develop the tropical resort into Asia's fifth "little dragon"

They will also reveal details of a package of measures to be taken by the newly-established province to attract foreign investment.

Making his first official visit to the territory in mid-May will be Shenzhen's Mayor, Mr Li Hao.

His team will consist of officials in charge of border control, transport, economic development and infrastructure development.

Mr Li is expected to brief Government officials during the team's eight-day stay here on plans for building a domestic airport in Huangtian.

**Officials Train in Shenzhen Economic Zone**  
*OW260253 Beijing XINHUA in English 1434 GMT*  
24 Apr 88

[Text] Shenzhen, April 24 (XINHUA)—A training class on Chinese economy and trade opened here today for some 280 government officials, foreign diplomats and major enterprise leaders in Hong Kong.

The training class is jointly sponsored by the Shenzhen-based International Center for Exchange of Science, Technology, and Industrial and Commercial Management (ICESTICM) and Beijing University.

Lecturers, textbook compilers, and advisors for the class are all Beijing and Hong Kong economic policy makers and celebrities.

They include officials from the Chinese Ministry of Foreign Economic Relations and Trade, People's Bank of China, and centers under the State Council.

Also on the teaching staff are officials and experts of the Hong Kong General Chamber of Commerce, Hong Kong Productivity Center, Hong Kong Trade Development Council, Hong Kong University, and Chinese University of Hong Kong.

ICESTICM is an educational institution jointly funded by Shenzhen University and a Hong Kong firm for training experts in international trade, finance, science, and technology.

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MAY 2, 1988

